

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 6 April, 1987.

Time — 8:00 p.m.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HEALTH

**MR. CHAIRMAN, C. Baker:** You were mentioning this afternoon that we just sort of wanted to go through them informally, but can I take it that we are done with 1.(b)(1)?

The Honourable Minister.

**HON. L. DESJARDINS:** No, Mr. Chairman, they suggest that they would go all over it and then everything would be passed at once, the whole resolution, so they can come back.

**MR. CHAIRMAN:** Will it be resolution-by-resolution then, section-by-section? Is that what you wanted?

**HON. L. DESJARDINS:** Well, this one anyway. Let's see how this works.

**MR. CHAIRMAN:** Okay.

**HON. L. DESJARDINS:** The others, Mr. Chairman, it might be a little more difficult because there's staff who I would want here. I wouldn't want to have people running back and forth.

**MR. CHAIRMAN:** One resolution at a time, so we're dealing with Resolution No. 1 now. When we're done with that, we'll pass it and go on to the next.

**HON. L. DESJARDINS:** Well, the others we might go by numbers.

**MR. CHAIRMAN:** Okay.

**HON. L. DESJARDINS:** In answer to one of the questions that was asked, I'll try anyway.

In the 1986-87 Estimates, the following branches were identified. There was Personnel Management Services, Human Resource Management, Management and Analytical Services. During '86-87 the following changes were made which are reflected in the '87-88 Estimates; that is, Human Resource Management was amalgamated with Personnel Management Services and is now identified as 21(1)(g) Human Resource Management, and Management and Analytical Services, comprised of Systems and Computer Services as well as Internal Audit. During '86-87 Assistant Computer Services were transferred and amalgamated with the Manitoba Health Services Commission. 21(1)(h) Internal Audit remains with the Audit Division.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, the Minister has indicated that eight from what used to be presumably

Management and Analytical Services have now been transferred over to the Health Services Commission. Now, presumably, later on, when we get into the Health Services Commission and the administrative line there, will that be where we would be more appropriately able to discuss the - we hear rumors about an amalgamation of the department with MHSC. Now, we can wait till

**HON. L. DESJARDINS:** I suggest that maybe it would be better when we attack mostly the Manitoba Health Services Commission. So on that line, when we start Administration of the Manitoba Health Services Commission, that might be the best place.

**MR. D. ORCHARD:** Just a simple question then: Is this transfer of the eight from Management and Analytical Services an indicator of the kind of amalgamation that's going to happen? Is that our first step?

**HON. L. DESJARDINS:** No, because that's going to the Commission as well. In this sense, that we're trying to coordinate and not duplicate things, yes, in that sense.

**MR. D. ORCHARD:** Mr. Chairman, I want to spend a wee bit of time on Research and Planning before we move off that topic.

Now Research and Planning over the past two or three years have been undertaking a significant number of reviews. I haven't had access to and I haven't seen a number of the studies that have been done, but Manitoba and Medicare Report was the one that was probably one of the more comprehensive studies done on the Manitoba health care system to give it a comparison basis to the system across Canada. I know I've gotten into this topic on two other occasions at this stage of Estimates. On other occasions as well, I've used information from Manitoba and Medicare.

I guess I'd have a few simple questions and - (Interjection)- Yes, I see there is a copy of it there. Going to such pages as 26 and 27, 27 particularly, where you're talking unit costs, costs per patient day, etc., and then in other areas, you compare the utilization days per 1,000 of population and all the various charts, and then of course you end up with page 33 with the gross salary and wage cost per patient day. The basic question is: Have those gaps narrowed? Has this report been updated so you know whether the gaps have narrowed, or has the trend to having a bigger spread in cost per patient day, salary and wage cost per patient day, is that gap widening further in Manitoba compared to the rest of Canada?

**HON. L. DESJARDINS:** No, this has not been updated. This would take another year or so. This, of course, is ammunition for recommendation. There is no recommendation. It's mostly facts and information that is needed. This was used very extensively by the Health

Review Committee at this time. Now we're using that, also we're very, very worried - I don't know if I mentioned that last year, I know I mentioned it in some instances, the concern with the teaching hospitals. But we want to make sure. It's difficult to make sure we're comparing apples and apples and oranges and oranges, because there are different setups in different jurisdictions. But there is a big enough difference that we know we have concern on that. That is the teaching hospital mostly that we are looking at on that.

Now as far as the staff, there is no doubt we felt that, compared to the private sector, the people were underpaid, for a time were getting less pay a few years ago and now they're caught up and they might be a little ahead of the private sector. Those are the people employed in the hospital other than professionals.

**MR. D. ORCHARD:** As I read the Manitoba Medicare Report, there are two things impacting and this is where the Minister and I got into a mini debate last year and I want to continue it again this year. Because if you take a look at page 33, table 5, where you've got the gross salary and wage cost per patient day, you go down - and unless my arithmetic is out, but it won't be out by very much - you've got a range in there for public general hospitals now being \$12.22 a day to the teaching hospitals being \$39.04 per day above the national averages; whereas, you know, as recently as 1971, we were below the national averages in all of those categories.

Now comment is made on page 38 where it says, "Thus Manitoba hospitals paid less for their labour but used more of it, in teaching hospitals a lot more." Then further at the bottom of the page, the last sentence says, "But while wages were moving towards national levels, paid hours per patient day and patient days per capita, especially in Manitoba teaching hospitals, have been moving out beyond the national levels by a substantial margin. Now I appreciate that if you're not comparing - it's my understanding that when you're talking gross salary and wage costs, you're not only talking your service unions, if you will, you're also talking nursing staff, support staff, you're talking management staff, as well, and physicians. Now it strikes me as being, particularly in the teaching hospital - and let's just deal for a minute on the teaching hospitals because between St. Boniface and the Health Sciences Centre, they represent a very substantial portion of our hospital line in funding.

Now to establish national averages, when you've got your physician, even your physician costs and the nursing costs, support staff costs. It seems to me that if you're developing national averages, you've got the Toronto's, the Vancouver's, even some of the Alberta hospitals in there where your salary bases are going to be, in some cases, substantially higher, like interns in Toronto, in teaching hospitals in Toronto are paid substantially better than they are in Manitoba. That's just a fact of the cost of living and other factors down there.

So that when you have the statistics which shows you that in our teaching hospitals in Manitoba that you've got a spread of, as of 1982-83 of \$39.04 per day, 16 percent above the national average, which includes those high-cost centres, and that in 1971 those

same teaching hospitals were \$6.04 or 11.5 percent below the national average - you've gone from 11 percent below in '71 to 16 percent above in '82-83, even though you've got mitigating factors which should say that Manitoba should maintain a relatively lower average cost on salary, just because of the wage schedules. So that sort of backs up, and I would presume, led to the statement that in teaching hospitals we use a lot more labour.

That is where I have my difficulty with the Minister and I've posed some questions to him this Session. Because we have hospitals now that are developing plans to come in with no deficits. In doing that, some of them are contemplating, as Brandon General Hospital has already done, the closure of beds, of active treatment beds.

Now the Minister has got a policy imposed by his Cabinet, presumably, wherein there are no-cut contracts in place, there are no layoffs that can be made. Now in Brandon Hospital what they're doing to get around that, as I understand, is there may not be any layoffs; I think there's been one layoff in Brandon General Hospital. But what they are doing is they are taking the part-time staff and a part-time staffer that may have been putting in 30 hours a week is now down, for a figure, 20 or 15 hours a week. So there's no actual layoff of individuals, but the number of hours are down and that's the way the hospital is coming in.

The point I'm making with the Minister is that if you expect hospitals to live within a budget that you are now prescribing to them, that they cannot have a deficit, you explained to us this afternoon that you're going to pick up some \$11 million in the Budget base line for the hospitals.

**HON. L. DESJARDINS:** Anyway, the second column

**MR. D. ORCHARD:** We won't get hung up on numbers, whatever the value of the second column was in your presentation this afternoon.

**HON. L. DESJARDINS:** If you include personal care homes and rural hospitals, that might bring it to 19, maybe that's what we're . . .

**MR. D. ORCHARD:** 11.7 in the major hospitals?

**HON. L. DESJARDINS:** Yes, and 13 altogether.

**MR. D. ORCHARD:** 13.3 including rural hospitals.

Now, if you're going to expect those hospitals now to live within a budget - and they've already got, as I figure it, a \$10 million deficit between hospitals and personal care homes that they're going to have to pick up because the adjustment only covers a portion of the \$24 million - how do you expect them to do that, given that labour is roughly 75 percent, possibly higher, of your cost in a hospital, when you're imposing a no-layoff policy and only staff turnover by attrition? Is that a workable expectation to impose upon the boards and managements of hospitals?

**HON. L. DESJARDINS:** I didn't quite say, Mr. Chairman, that there would be no layoff policy. I said that the

policy has not been changed. I also said at that time that every program or every submission from hospitals will have to be approved by the Manitoba Health Services Commission.

I think my honourable friend will remember - he's certainly heard me talk about this - that in the past there was a push all across the country and all across North America to deinstitutionalize. Even before we talked about deinstitutionalizing the acute care, the main one - and my friend referred to that this afternoon - was the mental health hospitals.

What happened at that time was that was a principle, and immediately they started by vacating as much as possible the institutions. First of all, the community was not ready to accept that at the time. Things have changed an awful lot. These were the days when any misfit or any sick people or anything were well taken care of, but hidden away somewhere. Now that has changed. The communities are now told, well you have to accept some of these people with you and work with these people, and there's been a big improvement. That was No. 1.

No. 2, there were no staff ready to accept these new responsibilities of working in the community other than the trained people in the institutions. Finally, there were no facilities or programs or anything to take care of them and to replace the hospitals.

So, therefore, the people were released in the community and some of them, first of all, ended up in going directly to acute psychiatric beds and filling those. That wasn't the intent for the acute hospitals to act as personal care homes, and we've heard a lot about that. We'll probably hear some more.

This was the situation, and then a lot of people without the proper programs were left walking around in the streets. You see that in the States in the big cities, where you have so many bag ladies and bag men and so on, many of them, a big proportion, a big percentage of those, are mentally ill who are left alone, and that is not good.

So we said we'll not make the same mistake again. We are convinced - and it's not going to be easy, we know that - but we are convinced that we have to change the system, that we have to provide more service in the community. When I say "we," I'm not talking about the New Democratic Government of Manitoba. We're talking about pretty well everybody in the health field. It's not something new. Every province and different countries in - well, you talk about this. There's nobody advocating more than Dr. Evans what should be done in these things. You know, because we had so many beds and they were filled beds - they'll always be filled - it doesn't mean that's the only way.

We're changing the hospitals now in providing - you know there's more of this when we're talking about tests and all these things to provide the health to keep people in the community with other programs. I think it's at this we are going to look, and we're working on it. There's a committee representing the different workers that we're going to work with, that we are working with.

Then whenever a plan is going to come in, we'll see if it's realistic. Then we'll see if, by closing these hospitals, that there will be other programs in place to take care of these people. I showed you how much home care has gone up, and that's going to improve.

There might be different ways that I'm ready to discuss. I think I gave you an idea of those in my opening remarks.

As I say, it's not going to be an easy thing to do, but then it will be by attrition. Fine, that's No. 1 obviously. Then there would be transfer in the same institution and between different institutions, and also people who should be redeployed in the programs that will replace the hospitals in other words, in the community, either home care - I think home care will change. An awful lot will be improved.

I think we have a very good program of home care, but it's got to change. It can't just stay this way forever. We've got to provide for many things. You might find people in the community who are very sick at times, but it has been proven that these people might be, in certain cases, better taken care of in the home providing there's the service. It might be that we will reinstate teams of doctors who will go on this for home care and nurses and so on, and that has got to be done in an orderly fashion. I say to you now, if this is not done in an orderly fashion and if we can't meet our target date, we might have to postpone that a bit, but we want an orderly way of doing things. Now that's the only way.

You know, let's put all our cards on the table. I showed you today that we had an increase of - what? - 176 percent increase since - I don't remember exactly - the last nine years. That's going up. My friend said that things have changed. We're not in trouble. It's not perfect; of course, it's not perfect. That's what I tried to demonstrate today, that we were doing quite well and in fact we're not spending that much money compared to the States, and then they have 37 million people who have no insurance at all.

But the point is we would not be responsible if we did not start planning for the change because we know, first of all, that we can improve the standards of care and so on, but also let's face it - and it's a very difficult thing to say, because the people of Canada and Manitoba like and love their care service, and they don't want anybody to take it away from them. That makes it that much more difficult because you know the saying, why fix it if it ain't broke, and that's exactly what they're saying. But if we don't do something now to change this, we'll not be able to afford it.

Now I must say very seriously that I did not try to do too much feebashing. I've said, all right, they no longer accept the same percentage, the same share of care, and that's their right if they want. They chose to say the deficit comes first. We must cut down on the deficit, we leave that to the provinces. That means the provinces have that responsibility but then I also stated that now, now while there's changes going through, because we must keep some of these things open, and we must prepare other programs to take over. And that transition period, that retraining and redeployment is going to take awhile and that's where I made this bid and, in fact, I received, I thought, encouragement from the Minister of Health, but it was kind of confusing. The Federal Minister of Health. He suggested that I suggest with the programs, and so on, and I think that they can help with some of these things.

Going back to the other thing about the facts in the teaching hospitals, I'm quite concerned. When it came

out it made it look like we were way over the average. I want to make sure that we're comparing apples and apples and oranges and oranges and we have a committee working. We have people working with the different hospitals now to arrive at that, to try to solve it. It might be that there's too many programs also. It might be that we only need one and I think, if I remember, correct me if I'm wrong, my honourable friend suggested that might a possibility last year, I think it was he, said that maybe we should have only one teaching hospital. I'm just giving that as a concern. We're certainly not making an announcement at this time but we're looking at that. Certainly there's been an improvement but, let's face it, there has been competition between the two teaching hospitals. I think we know that.

These are some of the things, I hope, that we can get some information because right now with the facts that we have, that might not be absolutely correct, but there's such a big difference that we know there's something wrong. But if the facts were correct the situation would be that to get back to spending the same amount as the average of Canada we would have to close the equivalent of, close a hospital like Victoria Hospital. That gives you an idea, if everything is right, but I have some concerns.

**MR. D. ORCHARD:** Mr. Chairman, that isn't what Manitoba and Medicare says. Manitoba and Medicare doesn't say that to come up with the national averages you close Victoria Hospital. What Manitoba and Medicare said and correct me if I'm wrong, is that we are significantly above the national average in our cost-per-patient day and it's driven primarily, if I read Manitoba and Medicare correctly, by our gross salary and wage cost per-patient day.

I realize that it is perfectly good politics to knock hell out of the Federal Government . . .

**HON. L. DESJARDINS:** Well, I haven't done too much of that.

**MR. D. ORCHARD:** I'm not saying you did. You used the word "cut-back" mind you, in your opening remarks, which is always a moot question because, we won't get into that tonight because we'll just waste time. But what the Federal Government is doing that you decry is exactly the case that the boards of Brandon General Hospital and other boards make in terms of their funding is not adequate from the province.

The Federal Government is saying we can't afford to fund the provinces any more, the province is saying to the hospitals we can't afford to fund you the way you want. It's exactly the same scenerio only a different level.

**HON. L. DESJARDINS:** It isn't because we're increasing our share and the Federal Government is decreasing. They're saying, no that's it. They're more or less saying, here, we're capping our contribution. I'm not saying that that's not their right but it isn't the same.

**MR. D. ORCHARD:** Mr. Chairman, what the Federal Government is attempting to do is to provide funding that they can afford to provide. The province likewise

is providing funding they think that they can afford to provide to the hospitals. It's esoteric to debate - we could debate it forever but basically both the Federal and the Provincial Governments are doing the exact same thing. They don't have unlimited dollars at either the federal level or the provincial level and what is being made is forcing some hard choices by monetary considerations. That's what happening and that's going to happen throughout all levels of government, throughout all departments because the taxpayer has come to the end of his tether, and now the next move is not unlimited spending as it was for the past 20 years in this country, it's going to be very precise and very rationed and very focused spending.

That's why the question, and after two years I would hope that we would have a little more definitive answer, as to whether Manitoba's position relative to the national average is something that can be remedied because I've used the figure before. It's not a precise figure, I'll grant the Minister, but we have roughly a million-and-a-half hospital patient days in the Province of Manitoba last time I looked at a recent MHSC Annual Report, roughly a million-and-a-half patient days. Right now we've got a cost in our teaching hospitals \$46.90 per patient day above the national average. In public general hospitals, whatever category that may be, it's \$21.48 and for general and allied special hospitals it's \$39.80 per day. If you pick a rough average of \$30 a day, which I don't think would be too far out, using the teaching hospitals where a lot of our patients days are, \$30 per patient day saved, just by bringing us down to the national average of cost. Not below like we could well be because of our salary costs being relatively lower than the Toronto's, the Vancouver's and other high cost centres, just bringing it down to the national average you've got \$30 by a million-and-a-half, you've got \$45 million. We're talking an awful lot of money. We're not talking about closing one single bed in achieving that, we're simply talking about investigating how it is we are that far above national average in cost per patient day.

With this document two years old with a health reform group in place, with an active research staff, with this question posed now for the third year in a row, that's got to be something that any Minister facing the kind of financial problems he's facing, because you don't have unlimited access to dollars any more around your Cabinet table and I understand that. I think that most Manitobans understand that but most Manitobans can't understand, and of course not all Manitobans are even aware of these kinds of statistics, don't have a clue because it's not something that's been publicized, but I think if Manitobans were faced with the choice of seeing a number of hospital beds closed or else an effort made to bring salaried and patient day costs down to national average, I think they'd say let's go for the latter because that's something that appears to be achievable without sacrificing standards of care because we're not saying that the national averages are below Manitoba standards. We're not saying that all. I don't think they are. I think that the standards across this country are relatively even.

What we've got for now, the third estimate in a row, is a document that, I think, provides us with probably better targets in one area of health care, namely the hospitals, to identify where we've got some substantial

cost saving and I'm not certain the Minister is moving on it and I'm not sure that this government is moving on it. I made the point last year and I'll leave it at this, we will debate it later on in the hospital line if necessary, but one of the problems this government faces is that it has substantial support from the union movement. I suggest to you that any move in the hospital system that takes on salaried costs involves taking on union membership and that is the toughest decision that this government will ever have to make and one that they won't make and will allow closing of beds before they'll rectify this glaringly identifiable difference in average costs.

I don't find that an acceptable solution, and I don't think Manitobans find that an acceptable solution. And I've often made the case, and I hope to make it on several different occasions as we go through Estimates, that we are adequately funding health, we may not be efficiently spending the money. And I think in here, in the hospital system alone, is an example where there is room for increased efficiency.

That has to be sought out, I believe, before you impose upon the hospital boards who are making budgetary decisions and decisions on how they're going to manage to run their hospitals within the budget constraints that are issued to them before you allow them to close beds as an option. And that may not be a bad option, providing you find that you use your remaining beds efficiently with lower patients stays, etc., etc.

But this is a more acceptable option to the people of Manitoba in terms of investigating in seeing whether it is achievable to bring our costs down to national averages first before you start allowing the closure of hospital beds.

**HON. L. DESJARDINS:** Mr. Chairman, I made it quite clear that every hospital had to submit their plan to the commission and it would be looked at. That's No. 1. What I disagree - I cannot agree with the honourable member, he is talking now as if it was wrong, necessarily wrong under all counts to close beds. And that I disagree with. I think that you will see a closure of beds - I think that's clear, he doesn't favour it. I don't mean that you're to do it in a way like I finished explaining and I'm not gonna explain it again.

You have to be careful, and I'm not saying that there shouldn't be any beds at all. But we're talking about the progress, we're talking about all kinds of discoveries of drugs and equipment and everything. And how can we pay for that if we don't close beds. And why do we need the beds if we're told with this equipment you will save all kinds of beds. We have gone, like the Leader of the Liberal Party talking about different programs, we've done this right here, we've had an early discharge program at St. Boniface for quite awhile and it's working well. And we're going to look at all that so I would want to leave that option, it's not one or the other.

We don't intend to close beds - we are saying that you don't need those beds and we are talking about efficiency exactly and we are talking about standards. Having said that, I know what my honourable friend is saying. He is saying that the wages are too high and that might be something we can argue, that could be an ideology difference between the two groups. I

recognize that. This government, when they came to office, decided that they would no longer sponsor the health care on the back of some workers and they felt that they should be - and this government did not apologize for that, they've increased minimum wages. Fine, it costs money, there is no doubt, and they've also said that they want fair wages and I'm not going to hide that, I mean this is a directive of government, I must accept that with the labor legislation and also the settlement of agreements and so on and I know that it costs money.

As I say, eventually you have to look at that but it is not the only thing and that should not be a factor in, should we keep hospitals open or closed. I think that's one thing it might be that we can be accused of paying higher wages. That's one thing. But there's a lot of factors that make a difference in the hospitals. Wages certainly, we're not going to hide or pretend that's not the case, that's approximately 75 percent of the total cost of running the hospital. Okay. So that certainly is a factor and that will be looked at and it might be that at times we'll have to discuss with them and say, hey, we must cut down on staff and also the wages, I mean that's something that will have to be looked at.

But then there's other things, it might be like a teaching hospital, it might be that we have too much, too many programs. It might be that we have too many staff, but then on one hand we're told that we're burning out the nurses in some areas. So you know it's not going back to the old days. Any time that is discussed in the news media, I get a phone call or two from an older nurse or retired nurse who's saying "Oh God! In my day, we did this and we did that." That's true. So the point is: what is right?

I concede that the question, we could have a difference on that. I'm talking about the government now and the members of the Opposition. The government is saying, "We want to pay fair wages." Not just to the professionals, but the other people providing the service in the hospitals. And they've done that, and I said that even before my friend could question anything. I said that we recognized that those people were below the level of the private sector and they've caught up and surpassed that. So, you know, I can't argue that, I think that's a responsibility that we have and we must do the best we can under the circumstances. But I recognize that my friend and his views anyway, of his party, might have a valid point.

**MR. D. ORCHARD:** Mr. Chairman, I don't want the Minister to be saying that it's my point or my party's point that hospital workers are paid too much, etc., etc. I have all along simply quoted from Manitoba and Medicare which was written by his director of Planning and Research, another individual from the directorate of Planning and Research, I believe is still there and Dr. Evans. It's their words, it's his government's words in a report drawn up by his government. They're not my words.

You know I don't want the Minister to say that our solution, the Progressive Conservative solution is to attack the working people because that's the kind of class warfare that we don't need if we're going to resolve problems in the health care system. I'm simply pointing

out facts that were given to us two years ago, which haven't been refuted, haven't been changed but also, no action has been taken on them, on the salary differences. No explanation. You're still telling me like you told me last year that you're studying the differences. So that, you know, that is an area that I believe Manitobans would expect, given the research documentation that's available to the government that they would move on.

I recognize from any kind of analysis you see of the U.S. hospital situation where they have HMO's and other capped insurance plans that in those systems you have much more outpatient service, you have much shorter length of patient stay in hospitals and you have fewer beds being used in hospitals. There are a lot of white elephant hospitals in the United States right now but yet for those people in the HMO's and the other forms of health insurance delivery systems, patient care has probably gone up. It certainly hasn't sagged because hospital beds are closed, and I've never made the point that we need every single hospital bed that we've had. I've never argued with the Minister on that.

But what I point out to him is that now it appears as if the government policy is tying the hands of management and boards at the hospitals when you impose budget constraints on them, as well as constraints on how they can deal with surplus staff. The point is made whether it's legitimate or not, because I have to admit that I hear this from one side of the argument at Brandon General Hospital. That is the nursing staff.

The nursing staff say their contract is not a no-layoff contract, whereas the support workers with CUPE - I believe it's CUPE out there - have no-layoff contracts. So you have nurses receiving less hours, whereas the support staff with 31 fewer beds, some 9 percent fewer beds, aren't affected. Now I don't know whether that is right or wrong but, if it is correct, that certainly is tying the hands of management to do a total management picture when you expect them to come within budget.

So we can get into this discussion on the Hospital line again and, no doubt, we will, but the point that I make again is that again I've got the answer from the Minister that they're studying the wage differentials, as outlined in Manitoba and Medicare. Ten months ago, that was the answer. I would hope that we get some concrete proposals to debate. We may not agree with some of the proposals that are in there because that may affect employment, and we may choose for the lesser evil option of having employment and accepting the deficit, I don't know. But certainly, we don't know what we're shooting at until we have this substantial differential explained by the research people.

**HON. L. DESJARDINS:** Mr. Chairman, I am certainly not trying to put words in my friend's mouth or in the Opposition's. I am saying that there could be an honest difference between the two parties. That could be one.

What I said is that this government, the present government, feels in their ways - and this is not a remark or comparison with another party. They are saying that the wages of the people at the bottom of the ladder, especially, are important. They don't want to save money and finance the health care of Manitobans on the backs of those people, rightly or wrongly.

Now they don't apologize. The government hasn't apologized for paying the wages they're paying to these people. My friend said the nurses are not involved. The nurses are spending a good part of the money in the hospitals, the biggest part. So if you're going to look at that, I'm sure that you would have to do something with the nurses also.

Now the situation is what I said. It might be that we have too many programs. We're talking about the teaching hospital, and that's what is being looked at at this time. My honourable friend says, well you know, you've got to cut down, you've got to be efficient, but he seemed to criticize me because I'm saying no more deficit. I think it is crazy to allow the deficit that we've allowed.

In fact, they're not all deficits. The middle column, as far as I'm concerned, is not a true deficit. It was the way that we did and the Roblin Government did - well, not the Roblin. That was before that, but the Lyon Government certainly. Yes, we had hospitalization before, the Roblin government also.

It was understood that we would look at the deficit and many of these things. How can you say it's a deficit if it's something that's approved by the government, a contract for instance, a wage contract? So now we're saying, no we want to cut down and you're going to be efficient and you're going to force some of these things. By attrition, it might be the way to bring it in an orderly way that there would be less staff. They won't replace those people. They would cut down on staff.

My friend said himself that they don't want to put everybody out of work, and I believe that. So they might have to do the same thing not as fast. If you're just looking at the functioning of the hospital, you might say, tomorrow we can get rid of these people. Maybe that's right, but we're not going to do that, and I'm sure that the Opposition would not do that.

So the thing is what I said, that we're looking at the programs in the teaching hospital. We're looking at that with the university, with the hospitals. We are looking at that situation to see if we need, for instance, two teaching hospitals to see if we have too many programs.

Earlier today, I talked about the staff in the hospitals, the interns and the residents. It's the service, and maybe we're allowing too many of these tests and all that was mentioned today. I agree with that, that's what we're looking at.

Now, I was looking for this. For each dollar it costs in the hospital, there is \$0.75 to \$0.80 on wages, of which approximately 76 percent is nursing costs. So it's not just the people pushing a broom.

**MR. D. ORCHARD:** A few general questions on Research and Planning, is Research and Planning responsible for the monitoring of how effective a program is? You've got in here your expected results. Now those aren't new this year because you've put out Supplementary Estimates. That's been part of the department for years. In Research and Planning, do they monitor programs? I understand they don't have enough staff to monitor all programs every year, but do they selectively monitor programs to determine how effectively they're delivered?

**HON. L. DESJARDINS:** Yes, they're doing that, and that is being done also with directors of different programs and the ADM administration is doing some of that also, as well as in the community, the ADM of Community Health.

Later on, I will present a - what would I call this? - scheme or something where we're changing the program structure in the department also. That is being prepared by all three, by Community Health, by the Administration and the planners. Also, we've been fortunate in having the help of the professionals and the administrators of different hospitals and so on.

**MR. D. ORCHARD:** Okay, that involves monitoring the effectiveness, in other words, if you have a program like Hearing.

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** That would be selected presumably at some point in time to assure that the target population is being adequately served. Now that gets you into the technical delivery of the program, i.e., of the people being served. Whose responsibility is it to determine the financial efficiency of that delivery? Is that Research and Planning, or is that your internal audit or is that your . . .

**HON. L. DESJARDINS:** I would say it's to the Cabinet because, as far as I'm concerned, I never think there is enough money and, as far as my staff is concerned, they never think that I'm giving them enough money and all down the line. I would think that you have to look at the overall. I mentioned, what if we kept on the way we're going now, what we should have? We're going to have approximately a 10 percent increase this year. That's a lot of money, but there is a limit. You were saying yourself awhile back that there is a limit, and I'm sure that some programs might suffer.

This is what we're trying to do, to cut down to make the institutions more efficient, because that's where the majority of the money is. There is \$1.2 billion for the Commission, which is mostly Medicare and institutions and Pharmacare and so on, and the rest of the department is the rest - \$122 million compared to \$1.2 billion.

So I would say that, sure, we'll have recommendations from the staff, but I don't want to give the false information that they always get what they want. I can't hold them responsible if something goes wrong and if they haven't got the funds. Cabinet and myself have to accept the responsibility for that.

**MR. D. ORCHARD:** The question I was attempting to get at, if the effectiveness of program delivery, whether it meets the target people. Presumably Planning and Research determines whether it's effective in reaching the target population that the program's designed for - hearing being an example, gerontology being another example, dental services being another example - but the example is irrelevant to the concept I'm trying to get at.

That tells you whether your target population is being adequately served, and presumably if it isn't, there's going to be suggestions on how you either advertise

the program better or whatever to make sure that the people who should avail themselves or could avail themselves of the service do so.

My question is: Who determines whether the program is delivered in an economic and efficient way? You've got a budget of \$5 million in a department, as an example. Whose job is it to determine if the money is being spent efficiently and not being wasted?

**HON. L. DESJARDINS:** That would be under the Internal Audit of administration, the ADM of Administration.

**MR. D. ORCHARD:** Now who's in charge of that?

**HON. L. DESJARDINS:** Mr. Maynard, he's the ADM of Administration, all the sections that we're looking at.

**MR. D. ORCHARD:** Then let's get this one straight, because I want to know who I'm talking about.

Then the ADM of Administration and Financial Services, is he also the ADM responsible for 1.(b) through to 1.(h)? Is that the responsibilities, everything in this appropriation with the exception of the Minister's Salary?

**HON. L. DESJARDINS:** No, he takes up at (e), (g) and (h).

**MR. D. ORCHARD:** Then is the DM director responsible for Executive Support, Research and Planning, and Communications? Who is responsible for this?

**HON. L. DESJARDINS:** Executive Support is the Deputy Minister, yes; and Research and Planning reports to the Deputy Minister and to myself; and Communications, we've had a very small branch. We're trying to beef this thing up to sell the programs and to let the people know of the changes. So we've advertised for a communicator that we never had before, and they would report to the Deputy Minister at this time.

**MR. D. ORCHARD:** Okay. Then in Financial Services, the ADM is responsible for carrying out the internal audits, presumably, for assuring that funds are spent responsibly.

Is it the responsibility of the ADM, if he discovers problems, is it up to him to remedy those problems? Who remedies the problems? If there are problems in spending identified, who remedies the problems? Whose neck is on the line?

**HON. L. DESJARDINS:** The spending, once it's been set by Cabinet and Treasury Board, would be the responsibility of the branch, of course, who will be instructed properly by the ADM of Administration. The branch has to accept some responsibility. They should know what amount of money they have and so on, and the ADM will know the policy of government and directive of Treasury and so on and will pass on this information to all the directors.

**MR. D. ORCHARD:** Internal Audit is a new line in the Estimates. It was presumably Management and Analytical Services.

**HON. L. DESJARDINS:** There's been a change in titles, but it still is the same ADM.

**MR. D. ORCHARD:** Okay. But do I determine correctly by the fact that you're now calling it Internal Audit, that this is an indication that you are responding to the recommendation in the Decter Report which indicated that departments should have an internal audit capacity by which they can determine the efficiency of spending within the various branches of the department?

**HON. L. DESJARDINS:** The Decter Report dealt only with the Manitoba Health Services Commission, and I should give you a bit of information now because you're quite concerned with that.

Under every government there is a discussion: "Should we retain the Commission; should we do away with the Commission?" That's done in every province, and again that question was asked. It is a little different in Manitoba now because at one time when you first had the Commission there was such a thing as premiums, so you didn't compare it a bit to the Hydro or the Telephones and so on where they would get the government to okay the rates and that was it. It was the same thing with the Commission.

When I started in the House, we never discussed anything about hospitals and hospitalization. It was one line and we dared not question anything; that was the Commission. That was the responsibility of the Commission. But now, obviously, there's no premiums there; so all the funds come from Treasury in the Department of Finance. So with these changes and with the restraint and so on, that came up again because it was felt that there should be some advantages to retain the Commission and some felt that it's time the Commission should go, and periodically, the same question about the AFM. So we asked Decter to bring in a report and that's the report that you were talking about.

Oh, you're talking about the tax. Oh, well, there's the Minister of Finance. That would be something you'd have to . . .

**MR. D. ORCHARD:** Well, Mr. Chairman, like I'm not . . .

**HON. L. DESJARDINS:** That was in there before that. This internal audit was there way before the Decter Report. This just came in shortly, just a few months ago.

**MR. D. ORCHARD:** Now that we're on this topic, and we're caring and sharing tonight with the Minister and myself, is it possible that you would provide us with a copy of the Decter Report which dealt with the amalgamation of MHSC and the Department of Health?

**HON. L. DESJARDINS:** I'll bring that to Cabinet. I can't see, to be honest with you, any reason not to. I'll bring that when we look at the . . . I don't want to start a precedent. I don't think I've ever refused anything to this committee or the members of this House, but it might be at times that some are internal documents. I'll consider it and get back to you.

**MR. D. ORCHARD:** Mr. Chairman, just let me get the trail of financial accountability in order so that I understand the system.

The ADM of Administration and Financial Services is responsible then for the internal audit, presumably by program, within the department, and will presumably undertake that.

My first question is: Is an internal audit undertaken on all sections of the department each year?

**HON. L. DESJARDINS:** No, there's a selection made and it would be only on certain selected programs.

**MR. D. ORCHARD:** And, presumably, unless there were problems identified with a given section, it would be on a rotational basis; so over a two or three year period all sections of the department would have undergone an internal audit. Is that correct?

**HON. L. DESJARDINS:** This is something that has worked. There has been no, that I know of, because I haven't participated in that at all or selected, unless there would be a reason. Let's say there is something we suspect or there's an accusation or we discover something, of course, that would be done, but selecting just at random, I've never had anything to do with that.

**MR. D. ORCHARD:** Mr. Chairman, let's theorize on a circumstance where a problem is discovered by Administration and Financial Services whilst they're doing an internal audit on a given program line, and they identify problems with the spending in that program. Accountability is not there to their satisfaction or the rules of the game, if you will, are not being followed. Whose responsibility is it then to make sure that those errors, those problems are corrected? Who has the responsibility? Is it the ADM of Finance?

**HON. L. DESJARDINS:** It's difficult to answer that without an example. I would say that the ADM would immediately notify the Deputy Minister. The director of that particular program with Administration would solve the problem. If not, in either case, they would notify the Deputy Minister, and in certain instances, I would be notified also.

**MR. D. ORCHARD:** So then the line of responsibility - just let me make sure I'm understanding this correctly. The line of responsibility, No. 1, for undertaking the internal audit is the ADM of Financial Services and Administration. If problems are encountered, it is the director of the department in which the problem is encountered, it's their responsibility to assure that problem is corrected?

**HON. L. DESJARDINS:** That's the first step, yes.

**MR. D. ORCHARD:** Okay, what authority does the ADM and ultimately the Deputy Minister have in assuring that problems are cleaned up?

**HON. L. DESJARDINS:** Well, if it's obvious, that's where it will be done, between the director and the department. If there's any question - and most of the time, if there's any doubt, this will be brought to the management. They have a management committee, staff has a management committee, chaired by the Deputy Minister. That would be discussed, and then a decision would be taken there.



**MR. D. ORCHARD:** Mr. Chairman, I think that answers a lot of the questions. I would like to question the Minister just briefly on Communications.

Now last year, you might recall, we had voted to eliminate this program because you didn't have staff and we were very . . .

**HON. L. DESJARDINS:** No, it's that we had no communicator, as such. We had staff who are involved in that. I think we did. Well no, this year, we're getting staff in that department who were doing that work in certain areas.

**MR. D. ORCHARD:** Well the reason I say -(Interjection)- I'll just refresh the Minister's memory because last year, when we were into this, I asked him: "Can the Minister indicate whether there might be one," meaning a communicator, ". . . buried elsewhere in the Department of Health or the Manitoba Health Services Commission?" The Minister replied: "He or she is well buried because I haven't found them."

Now, Mr. Chairman, we then moved to eliminate the funding, because there was no staff. We had it eliminated and, through the goodness of our souls and because we didn't want to waste time, we allowed the vote to be reversed.

Now I notice in the preparation of the Estimates Book that the Minister has got in Communications \$24,000 in salary cost from last year. Now we never voted any salary cost last year, and that's the reason why we eliminated the program. In Communications in last year's Estimates, salaries were a blank, there were none. Now where did the \$24,000 come from? Was that by Special Warrant or interline transfer? Where did the \$24,000 come from?

**HON. L. DESJARDINS:** \$24,000 was there last year, sure. Look on the left . . .

**MR. D. ORCHARD:** No, that's your adjusted vote where you've changed the figures. The print last year had zero salary. I can show you a copy of it if you like.

**HON. L. DESJARDINS:** The explanation I have is that there were no staff, and that was moved during the year to provide that amount for pamphlets and that kind of information, and that it wasn't staff. We had the staff year for a long time.

**MR. D. ORCHARD:** No, you didn't.

Mr. Chairman, let me just clarify for the Minister because I remember this section very well last year: (a) there was no salary being requested; (b) there was no SY, you had no staff. I made the point of asking you where your staff was. There wasn't any and you answered that, if it's buried, it was well buried because you weren't aware of it.

Now you're telling me that the \$24,000 that you've reallocated by the adjusted vote of \$24,000 really wasn't for salary. It was for pamphlets, etc. Well, that doesn't state correctly the use of that money. It's not a major concern, but that does not give a factual presentation in the Estimates of the professional costs in the department. Are you sure you didn't have a half-staff slipped in from somewhere? That was used for pamphlets? How could you do that?

**HON. L. DESJARDINS:** The money was transferred, but not from staff.

**MR. D. ORCHARD:** Okay now, let me understand this.

**HON. L. DESJARDINS:** You see, we had no communicator. With the changes that are coming through, that's why we had that. Last year we knew that we would want one, and I'm telling you now that we have advertised for one and the intention is, as soon as we can get one, we will have a communicator.

Cabinet felt and so on that the information, and the department felt that there's so much now to deal with the public and so on that information should go forward. Now the work that was done, we coordinate, let's say, press releases and so on. We've worked with the Deputy Minister, the Director of Planning, the Secretary of the Commission and so on, this work. That's the way the work was done, but we had no staff. We had some people who work on that also who are in information, health promotion and so on, but there was no communicator at all last year. But I inform the committee that we have advertised, and the intention is to have one now.

**MR. D. ORCHARD:** Well then, since there was no staff and since no salaried position was paid, why would the adjusted vote show that you paid salary of \$24,000.00? Why wouldn't you simply move that \$24,000 down into Communications: Other Expenditures, because that doesn't accurately reflect what's going on in this aspect of the department? I don't want to make a major issue of this, but theoretically this Supplement to the Estimates is supposed to tell us what went on during the year. Now, if that's not a factual presentation in Communications, where it's a very small item, \$24,000 - well, it's not a small item, but it's \$24,000 - does that mean we have to ask every single line about Salaries, etc., etc.? I think that would be not a very fruitful use of time.

**HON. L. DESJARDINS:** Well, the best explanation I can give is that apparently is something that is acceptable. It was done in adjusted vote to try to identify for this coming year, this staff year, and then the money that we have to build in there for part of the year.

**MR. D. ORCHARD:** But it doesn't reflect salary costs.

**HON. L. DESJARDINS:** It doesn't reflect salary costs for last year at all.

**MR. D. ORCHARD:** They say, and I'm not going to make a federal case out of it, or even a provincial case out of it, but it is very confusing where you've got the adjusted vote showing Salaries which wasn't used for Salaries. That's an improper statement of the way the money has been spent.

Now, a couple more questions. Has there been a study recently by Administration and Finance on the use of vehicles within a department?

**HON. L. DESJARDINS:** Yes, there has been.

**MR. D. ORCHARD:** Have regional staff been advised that they have too many vehicles and some of them are being pulled from regional staff?

**HON. L. DESJARDINS:** There are guidelines or rules set out by Government Services which will allow cars, providing there are so many kilometres, 20,000, and we were advised by Government Services that some of our cars weren't meeting that. That was discussed with them and we were informed that we returned so many cars - six cars were there? Six cars.

**MR. D. ORCHARD:** Mr. Chairman, it's my understanding that the majority of those cars were out of the region.

**HON. L. DESJARDINS:** They would be the ones that did not qualify because of not enough kilometres.

**MR. D. ORCHARD:** Can I ask the Minister, in view of the fact you've got 250 vehicles, I presume that would include your car, as the Minister, that would include ADMs' cars as well?

**HON. L. DESJARDINS:** I don't remember that. You're free to say "you presume." You don't presume that a damn bit; no, my car is not involved in that.

**MR. D. ORCHARD:** Oh. Whose cars are involved in the 250 then? Is it the senior staff?

**HON. L. DESJARDINS:** My honourable friend knows that there are certain people who will get a car, including the members of Cabinet and so on, and then there are cars that are, either in the government's - many of them are pool cars and others assigned to an individual. I don't think that's changed so much since the days of government when the Conservatives were in power. They always had guidelines for cars and they felt that, if not, the people then could put in for an expense and use their own cars if they were using it. By the way, I wouldn't mind the policy that I've got for Cabinet Ministers, if that's what you're suggesting.

**MR. D. ORCHARD:** You're going to have a tough time when they get you your K-Car.

**HON. L. DESJARDINS:** My what? Well, that might be why I want my own car. I don't know, the Minister of Finance and I will protect each other.

**MR. D. ORCHARD:** I'm sure you will.

Well, Mr. Chairman, I simply make the point that regional staff has, because of certain criteria - now we're saying that it's Government Services - lost a number of vehicles in Regional Services primarily in rural Manitoba where you have to drive. The point was made, and I thought it was made rather well, that here they are trying to deliver services in rural Manitoba and they're having vehicles - not a great number of them - removed that were government cars. Their criticism was directed directly at the ADM who requested the vehicles be returned, that he wasn't visiting too many people in rural Manitoba delivering services, but yet his car remained. That may be an unfair criticism; it may not be, but that I simply point out to you, Mr. Minister, was the feeling that was registered with me in terms of the decision to have these six cars removed primarily from Regional Services.

**HON. L. DESJARDINS:** I can understand that, Mr. Chairman, there could be that criticism, but I can assure you that it's not bad administration. It is the policy now and, if anything, it is the policy that - I'm not saying that it wasn't right, but the policy could be reviewed. The criticism, in other words, would be that the policy should not be to the ADM.

**MR. D. ORCHARD:** That may well be, that was not the focus of the criticism. It just seemed that the priority might not have been properly recognized as to who really needed the car.

**HON. L. DESJARDINS:** Before we leave that, in all fairness to my ADM, I might say that he qualifies. I think the statement was made that the car wasn't used for the service and I am informed that certainly he would qualify for the number of kilometres used in service.

**MR. D. ORCHARD:** I thank the Minister for that answer. I will pass it on to the appropriate people.

Mr. Chairman, I don't want to take the time tonight to read these into the record, but could I receive the 45 agencies that are referred to on page 25 - "Effective coordination of 45 agencies receiving funding from the department."

Could we receive a list of those 45 agencies and the size of the grants that are available? I don't need that tonight, in the process of the Estimates.

**HON. L. DESJARDINS:** I asked for them, I might have it here. I got something at the last minute, I might have. I only have one copy, unfortunately.

**MR. D. ORCHARD:** Mr. Chairman, when we take a look at page 26, we have three areas of salaried personnel - Managerial, Professional/Technical, Administrative Support. There is no change in the numbers of staff, but I note, with some derision, that there's - well, not derision, that's maybe too strong a word - but the professional and technical line of staff, their salaries have increased by over 14 percent year-over-year. Now, I have no way of determining from the breakout here whether . . .

**HON. L. DESJARDINS:** Would you mind repeating which line . . .

**MR. D. ORCHARD:** Okay. Page 26, under Administration and Financial Services, you've got professional and technical salaries. Managerial salaries are going up by about 3 percent, administrative support by about 3 percent, but you've got professional and technical salaries going up 14 percent. Now at a time when we've got hospitals being asked to constrain spending and we've got programs being tightened down on, how did we arrive at a 14 percent increase for these nine SY's in the professional/technical part of Administration and Financial Services?

**HON. L. DESJARDINS:** The increase through reclassification was 21,500; the increments, 9,000; and GSI 13,800 for 44,300.00.

**MR. DEPUTY CHAIRMAN, M. Dolin:** The Member for Pembina.

**MR. D. ORCHARD:** Which brings me to the question: What is the GSI? What percent are you using for the GSI?

**HON. L. DESJARDINS:** The general salary increase would be the yearly increase of the administration support in this case.

**MR. D. ORCHARD:** What is the percentage figure that's used?

**HON. L. DESJARDINS:** 4.4 percent, 13,800.00.

**MR. D. ORCHARD:** 4.4.

**HON. L. DESJARDINS:** And the reclassification, 21,500 or 6.8 increments, 9 for 2.9 percent.

**MR. D. ORCHARD:** Now, Mr. Chairman, is the 4.4 percent universally applied through all the Salary lines?

**HON. L. DESJARDINS:** No, it is below the average because the average for the GSI for all the people in Health is 8 percent.

**MR. D. ORCHARD:** You're saying that the GSI in the Department of Health is 8 percent?

**HON. L. DESJARDINS:** GSI plus increments is 8 percent.

**MR. D. ORCHARD:** The average is 8 percent?

**HON. L. DESJARDINS:** It's 8 percent. That's the GSI with the increment, and I can give you more details if you want a little bit different category.

**MR. D. ORCHARD:** That means that, throughout the department, there was an average 8 percent increase in the salary packages. The only way it would be lowered is say, for instance, someone left and the new person who was replacing them would have been a lower classified staff, hence starting at a lower salary. So anybody who was there year over year is going to average an 8 percent increase in salary, providing they weren't at the top of their increment range?

**HON. L. DESJARDINS:** I'll give you the - the administrative officer, the GSI was 4 percent, the increment 3.7 for 7.7; administrative officer, 3.9 and 3.8 for 7.7; systems analyst, 4.2 and 3.9 for 8.1; accounting clerk, 5.1 and 3.5 for 8.6; clerk, 5.6 and 3.3 for 8.9; administrative secretary, 4.8 and 3.5 equals 8.3; community health worker, 4.5 plus 3.3 for 7.8; dental assistant, 5.3 and 3.5 for 8.8; nurse 4.3 and 3.6 for 7.9; another classification of nurse, 3.9 and 3.7 for 7.6; finally the nurse, 3.9 and 3.4 for 7.3; planning and program analyst, 3.8 and 3.9 for 7.7; health and social development specialist, 4.2 plus 3.7 for 7.9; health and social development specialist, 3.7 and 3.8 for 7.5; the average, 4.4 and 3.6 for 8 percent.

**MR. D. ORCHARD:** Mr. Chairman, my previous concept was that, on average, increments were equivalent to

roughly 2 percent of a salary package. But it seems from those figures you've just given me that it's much closer to an average of 3.5 percent.

**HON. L. DESJARDINS:** The GSI?

**MR. D. ORCHARD:** No no, the increment.

**HON. L. DESJARDINS:** 3.6.

**MR. D. ORCHARD:** Yes. Now that means a 0 percent wage settlement is at 3.6 percent, because you've got increments averaging 3.6 percent.

**HON. L. DESJARDINS:** The increments were always there.

**MR. D. ORCHARD:** No, I realize the increments were always there.

**HON. L. DESJARDINS:** Except the people who are at the maximum, of course, do not get any increase at all.

**MR. D. ORCHARD:** Fine, I realize that.

Mr. Chairman, that does take up a very sizable portion of the increase in the budget because presumably - maybe it's appropriate to ask the question now, rather than waiting for the Hospital and Personal Care Home lines. Do the salary packages in hospitals and budgets also reflect these averages in terms of increments and GSI? Is that a fair assumption?

**HON. L. DESJARDINS:** I'm not going to take a stab at it until - I don't want to mislead you on it. I'll get that for you.

**MR. D. ORCHARD:** Could you check that out for when we get to that line in the Estimates, because I'd be curious to know that?

Mr. Chairman, another area that I want to briefly touch on is: Does the Administration and Financial Services Branch of the Department of Health do any independent monitoring of hospital budgets or personal care home budgets?

**HON. L. DESJARDINS:** The department? No.

**MR. D. ORCHARD:** Okay, and Planning and Research doesn't do any monitoring of hospital budgets to see whether they are achieving efficiencies?

**HON. L. DESJARDINS:** Yes. They would be looking at that, because the Planning and Research are there to serve both the department and the Commission.

**MR. D. ORCHARD:** Okay, now presumably the Commission then has staff such as internal audit as we have here.

**HON. L. DESJARDINS:** Well, they have staff in the Commission also who would look at that.

**MR. D. ORCHARD:** Now, getting back to internal audits where we can deal directly with the Internal Audit line

here, expected results indicate, on page 29: "results and accomplishments for internal audit are directly related to the completion of audit assignments as approved in the internal audit plan by the Departmental Audit Committee." Who was on that committee for the department?

**HON. L. DESJARDINS:** This would be part of the management committee, the Deputy Minister and ADM and staff of the department that is being audited. That is each ADM who is responsible for the program also.

**MR. D. ORCHARD:** Now it goes on to say in "Expected Results," that your Internal Audit group are going to be reviewing all major areas of the department every five years, and has communicable disease control as one area for next year and mental health centres, selected activities. Now does this mean that Brandon and Selkirk will only have certain aspects of their operations audited?

**HON. L. DESJARDINS:** That's correct.

**MR. D. ORCHARD:** Then the next question: Which regional operations are selected to be audited next year? Has that been done?

**HON. L. DESJARDINS:** Those regions haven't been selected as yet.

**MR. D. ORCHARD:** Okay. Mr. Chairman, when we compare this year to last in terms of staffing, we find that, despite a transfer of eight SY's to the Health Services Commission, we have an increase in the number of staff. Now the Minister has indicated in Communications, he's already advertised and presumably interviewed for that position so that one will be filled. Now you've got four other vacancies beside that one. Is it the intention to fill those vacancies?

**HON. L. DESJARDINS:** If that's the question that was asked earlier, if we are satisfied that we need that staff to work with the reform and so on, yes, that could be done. I would hope we're that advanced that we can proceed.

**MR. D. ORCHARD:** Mr. Poushinsky is still working on health reform, presumably, out of Executive Support?

**HON. L. DESJARDINS:** Yes.

**MR. D. ORCHARD:** Now you've got rather a unique slot in the organizational chart in that he is reporting presumably directly to yourself as Minister, as senior advisor in health reform. Now, I notice these questions somewhat parallel the questions posed earlier, but does Mr. Poushinsky have access or has he the ability as senior advisor on health reform to ask of Research and Planning specific information that they will have to produce for him? Is that where he gets his resource backup?

**HON. L. DESJARDINS:** There has been what we call an action committee that is meeting at least once a week. They've had special duties, special work to get

ready, and he's been coordinating that. If he wants any information, he certainly has access. That is a committee that is working very close together with the different people in this community. In fact, anyone on that committee would have access to or could get information from any of the other members also. It was that kind of relation that we've had.

**MR. D. ORCHARD:** That committee is made up of what individuals from your senior staff?

**HON. L. DESJARDINS:** The Minister, the Deputy Minister, the Director of Planning and Research, the Assistant Executive Director of the Commission of the institutional side and also the ADM in charge of Community Health Services. The secretary of the Commission acts as secretary. There are senior staff involved in the - and, as needed, other people would then be called in where we're looking at. For instance, Mr. McLean would be called in, if we're dealing with mental health, and Betty Havens on the question of gerontology and so on.

**MR. D. ORCHARD:** That's the end of questions for the time being, Mr. Chairman.

**MR. CHAIRMAN:** The Member for River East.

**MRS. B. MITCHELSON:** Mr. Chairman, going to Administration and Financial Services, how many of the staff in this line are MGEA staff?

**HON. L. DESJARDINS:** What line is that?

**MRS. B. MITCHELSON:** Administration and Financial Services, page 26. Well, the managerial wouldn't be. The professional and technical are not MGEA?

**HON. L. DESJARDINS:** They would be members of the union?

**MRS. B. MITCHELSON:** Yes.

**HON. L. DESJARDINS:** The professional and technical, the 9 and the 12 - I'm not going to say 12.26. I don't know how .26 can join a union, but the administrative support.

**MRS. B. MITCHELSON:** There are 21 in there, okay. I notice, under overtime, that there is \$28,000 of overtime by these 21 staff. Can you give me a breakdown of how many staff there . . .

**HON. L. DESJARDINS:** No, I couldn't give you that, because that is secretarial staff and clerical staff. They also might be people who might be called in for a term. At Budget time, you'll have extra people.

**MRS. B. MITCHELSON:** So that goes in under overtime, people who are called in?

**HON. L. DESJARDINS:** No, the overtime would be only people who are on staff who are working overtime, especially during the preparation of the Budget or any

other work like this where they are required to work overtime.

**MRS. B. MITCHELSON:** It just appears to me, Mr. Chairman, it seems I've got a fair amount of overtime pay in one year. The adjusted vote last year was 28,000, and you are budgeting again for 30,000 in overtime. So that indicates to me that you're planning to use people on an overtime basis again. Would it not make more sense to - first of all, what is the overtime rate? Is it time-and-a-half?

**HON. L. DESJARDINS:** Might make more sense to what?

**MRS. B. MITCHELSON:** Let me ask you first, what is the rate of overtime paid?

**HON. L. DESJARDINS:** It depends . . .

**MRS. B. MITCHELSON:** According to the MGEA contract, would they not all be . . .

**HON. L. DESJARDINS:** It depends on the level of the individual concerned.

**MRS. B. MITCHELSON:** Mr. Chairman, what I'm getting at . . .

**HON. L. DESJARDINS:** Approximately time-and-a-half.

**MRS. B. MITCHELSON:** That's what I want to know. If you're budgeting right now and saying that you're going to be spending \$30,000 on overtime in this up and coming year, would it not make more sense to hire additional staff, pay them regular salary, and you'd obviously be getting more value for your money?

**HON. L. DESJARDINS:** No, it certainly isn't obvious that this would be the thing to do. If you were establishing a permanent position, if you can get people that could do the work; you're talking about people in the department, in a special capacity, who are spending extra time to prepare the budget and I can't see any other shortcut. You don't get people off the street and say, hey, are you going to work part-time on this, on something they don't know anything about. Then you'd have to pay holidays, you'd have to pay pension and all kinds of things. I don't think you're going to save money. I think it's going to cost you more money and this is only during the real busy time that this will happen.

**MRS. B. MITCHELSON:** So you're saying then that the full amount that you're budgeting basically for overtime is to prepare the budget in this line and that's why it's . . .

**HON. L. DESJARDINS:** That's one of them, that's probably the main thing, and it could be that somebody prepared some of the work for changes. We've had many people working overtime in the area for some of the changes. For instance, we had a secretary that worked all day yesterday - and I'm not talking about the senior personnel that have worked.

People that start something during their regular hours also might finish at the time and it certainly wouldn't be advisable though to say, okay, you're finished and get somebody else who knows nothing about it. All this extra information that we give you during the Estimates to make your job easier, and so on.

**MRS. B. MITCHELSON:** It makes our job easier but we also do know then where the money is going. Mr. Chairman, can the Minister tell me how many computers are currently in the various directorates in the department?

**HON. L. DESJARDINS:** I'm not laughing at the honourable member. I remember, just a few years ago, one of the members saying that we had 300 computers. We immediately started a search because we didn't know where they were. I think we had one or two at the time, so anyway, what have we got now? Would you mind asking that question and other information system under the Commission? Part of it is to be transferred there and I want to give you a correct answer.

**MRS. B. MITCHELSON:** Part of it's transferred over there. Okay, I can save those questions for that time then.

Under Human Resource Management and Personnel Management, can the Minister tell me where we're at with pay equity in the department?

**HON. L. DESJARDINS:** The pay equity would be better addressed under the Civil Service Commission who have that responsibility for the departments. That will be on line this year. We have no staff for that, no extra staff.

**MRS. B. MITCHELSON:** So you can't tell me where pay equity is at, or what stage it's at, or what's being done? I'll wait for . . .

**HON. L. DESJARDINS:** I think it would be better asked and answered by the Civil Service Commission who could give you the final, because there is a Pay Equity Commission . . .

**MRS. B. MITCHELSON:** Does that look after Health too?

**HON. L. DESJARDINS:** Oh yes, Health is part of it.

**MRS. B. MITCHELSON:** Mr. Chairman, is there no one in this department then . . .

**HON. L. DESJARDINS:** There's nothing this year in pay equity as such, if the work is being done in the department.

**MR. CHAIRMAN:** The Member for River Heights.

**MRS. S. CARSTAIRS:** Mr. Chairman, I'd like to go back to Communications again, if we can, since we seem to have been jumping all over the place.

The staff person that has been brought on stream to do Communications for this particular . . .

**HON. L. DESJARDINS:** Excuse me, that is being brought on stream, not yet.

**MRS. S. CARSTAIRS:** That has not yet been brought on, does the department foresee any specific project, I think for example of perhaps AIDS communication? Are there any projects like that or that are being anticipated for this particular individual?

**HON. L. DESJARDINS:** A communicator would coordinate all the resources or the areas providing this in the past, and would be responsible and deal through the Cabinet also, if there's any need to coordinate the service, and will be responsible for all communication, and also any preparing of speeches or anything like this; especially in the area of the change that we might bring in to make sure that the proper information goes into the media and maybe through people in the rural area and people in different regions of the province, that we certainly will have to discuss those changes with . . .

**MRS. S. CARSTAIRS:** In the notes on page 24, indicating the staff year of 24,000, which we've already indicated didn't exactly exist last year, the increase is up to 40,000 with a note that this is required due to a reclassification of the position. What is anticipated that this individual might have that the former individual that didn't exist, didn't have?

**HON. L. DESJARDINS:** First of all, he'll be visible, I would imagine, and he'll exist, I hope. If not, I'll apply for the job for \$40,000.00.

No, it will be a qualified person that we want that will be able to direct all the Communications in this big department for health information and for changes and any changes in the system, and whatever.

**MRS. S. CARSTAIRS:** Mr. Chairman, the reason I asked about whether he or she would be concerned with any particular program is the expected results, which was the line which says, "Timely release of information regarding policy and program direction and the development of an overall communication strategy for Manitoba Health, which reflects government policy." Is there some concern that the Health Department has not been communicating its objectives well?

**HON. L. DESJARDINS:** I don't know, I think we did. I think that it's mostly because of the changes that are coming up. We feel that is very important for the people to know what it is. I said let's be very candid. I said to the people our concern, they have a program, a service that they like very much. We're talking about changing it and there's all kinds of rumours that can start so easily, so I think it is very important to inform the public as soon as possible. And then on any policy, somebody mentioned AIDS, smoking, and so on, that's what will be coordinated and done by that person.

**MRS. S. CARSTAIRS:** Like the Member for River East, I must admit to being somewhat concerned about the overtime at \$30,000, and much more importantly, the overall overtime of this particular section of \$43,500.00. I would really like to know why, with that kind of

overtime, serious consideration isn't given to hiring people.

**HON. L. DESJARDINS:** The feeling is that there are some people who are familiar with the work and that have to put in more overtime. I think that in many cases you couldn't do that. You couldn't do it as well anyway, because you'd have to have people that would be working part time. I'm not saying that it's impossible to say that maybe one or two more staff years would do that. I understand that's reviewed every year of course, but it's not the easiest thing to get new staff here, I can tell you that.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Last year when we discussed the Pay Equity Program, the Minister indicated that the Department of Health was on line for this fiscal year and that hospitals were to be on line for - let me get it right - '88-'89, I guess. Is the Minister now saying that whole pay equity process is floundering and you don't have the Department of Health coming on stream this year?

**HON. L. DESJARDINS:** I remember discussing that last year. I think what I said was that this year some work would be done comparing the jobs and all that in different hospitals and so on, and I believe that is being done. But there's no money to say, well, these people have been assigned by the committee, whatever, and that is the salary that you will now have to pay because of pay equity.

There is a committee looking at that at the Civil Service Commission.

**MR. D. ORCHARD:** My recollection is, the scheduling as of last year when we questioned this Minister, was that the department was to be on line this year, this year's Estimates.

**HON. L. DESJARDINS:** To actually receive the change in the pay equity?

**MR. D. ORCHARD:** That was the indication that your departmental salaries and expenditures on salaries would reflect the implementation of pay equity in the department and that the hospital lines would be undertaken next year. I take it that that's not on target then.

**HON. L. DESJARDINS:** It might be that is what I felt was going to happen, but I can tell my honourable friend that the department has no control over that at all. It is the Civil Service Commission and the committee that is looking at it.

**MR. D. ORCHARD:** Mr. Chairman, one final set of questions then.

In terms of any time we reach the Salaries line, in terms of all of the departmental appropriations, if you've got an average increment between the GSI, an average increase between the GSI and the increments that averages 8 percent, there are a number of areas which certainly don't reflect that.

Just in the last area that we talked about, where I was questioning professional technical receiving 14 percent increase, the managerial, I haven't got the exact figure, but it might increase by about 3 percent. Does that reflect - obviously, there's no change in the managerial staff, the two SY's are the same people, the same individuals, and let's use page 26 as an exact example. We have \$112,000, and this is one of the ones where the adjusted vote does not differ from the printed vote in last year's Estimates - it's \$734,400.00. That's what was printed last year.

I'm presuming that, for instance, in managerial there was no change in those staff positions. They are the same individuals as last year, No. 1 assumption.

**HON. L. DESJARDINS:** They're probably close to the maximum of their salary.

**MR. D. ORCHARD:** Even if that were so, they would still receive anywhere from a 4 percent to a 5.6 percent GSI increase.

**HON. L. DESJARDINS:** We've excluded senior officers on that average.

**MR. D. ORCHARD:** So then senior officers are receiving less of an increment, I presume, less of an increase in GSI?

**HON. L. DESJARDINS:** Percentage-wise, yes.

**MR. D. ORCHARD:** So then as we go through these lines, then it would be anytime we hit a managerial line, we should not expect to see an 8 percent salary increase.

**HON. L. DESJARDINS:** For instance, in that same case that you're talking about, one of them is managerial, the ADM. He's at the top; he has no place to go. They don't get any increment.

**MR. D. ORCHARD:** What GSI percentage is applied to senior officers then?

**HON. L. DESJARDINS:** It's less than the 4 percent.

**MR. D. ORCHARD:** I'm still having difficulty in determining how you go from \$112,100 to \$116,600, assuming that one of the SY's received no increment. Presumably the second one didn't receive any increment, and if they both received something less than 4 percent, it still doesn't add up to the \$116,000.00. It should be something more.

**HON. L. DESJARDINS:** Mr. Chairman, may I suggest that if it is the wish to pass this that we go ahead, only if it will be ready before the time that we adjourn, with the understanding that I'll bring as an example, in this Session, and bring the details. I'll bring the details for the two managerials, the non-professionals and the 12.6 of administrative support, all the details tomorrow or the next time.

**MR. D. ORCHARD:** Okay. That would be important because as I am going through the Estimates I always

do my percentage increases year-over-year. With an 8 percent target now for particularly lower paid salaries . . .

**HON. L. DESJARDINS:** We'll bring you all the details, not necessarily the name of the individual, but by individual.

**MR. D. ORCHARD:** No, I'm not interested in the names of the individuals attached or anything, but, you see, the point I'm going to make with the Minister on this is that Estimates are presumably a best possible guess and presentation of what you're going to expend, not perfect. It isn't going to be right on to the dime, but as was explained here in your opening remarks, table 7, you had to adjust for some \$13.3 million. Well, let's just use Winnipeg hospitals and Brandon.

You had to provide another \$11.7 million to take care of normal cost increase in contract settlements. Mr. Chairman, the point I want to make is that when we go through the Salaries line if, for instance, at Administrative Support, which if I read Hansard tomorrow and find which areas received the larger increments, GSI plus the increment, you find that those ranged above the 8 percent.

**HON. L. DESJARDINS:** There's only one thing, you know, and I think we suggested that could be asked again when we go to the Manitoba Health Services Commission. This does not deal with the Health Services Commission.

**MR. D. ORCHARD:** I appreciate that, but what I'm getting at is that if there is presumably an average of 8 percent, particularly at your administrative support levels, the only reason it wouldn't be that is if you had replaced staff mid-year and they came in at a lower increment, a lower classification, otherwise it should average out that there's approximately an 8 percent increase in Salaries, or else the estimate is understated, and if the estimate is understated, then the budgetary requirements of the government are understated and the deficit is understated. That's where I'm going; that's where I'm questioning.

**HON. L. DESJARDINS:** You're talking about the hospitals?

**MR. D. ORCHARD:** No, no, I'm talking about departmental. I'm talking about departmental.

**HON. L. DESJARDINS:** You're saying that the deficit is understated.

**MR. D. ORCHARD:** I make the scenario with you that if the salary estimates that are presented to us now don't reflect an 8 percent increase on average at the lower wage levels within the Civil Service, because that's approximately the average you've given me here doesn't reflect that, the only reason it wouldn't is if you had replacement staff hired at a lower incremental level or a lower salary start.

**HON. L. DESJARDINS:** Some people are at the maximum also if you're talking about an increase. This

is the average of the whole department for that level of employment.

**MR. D. ORCHARD:** But the point I make is that if the salary requests as presented in the Estimates did not reflect exactly or close to exactly . . .

**HON. L. DESJARDINS:** Why don't we go and give you the information tomorrow and maybe throw more light on it.

**MR. D. ORCHARD:** . . . the point being that you could have your salaries understated, and if that's the case they would be made up in the adjusted vote next year, and the deficit as projected by the Minister of Finance a month ago would be understated.

**HON. L. DESJARDINS:** There are times that before there has been an agreement, that we in fact most of the years didn't put an increase and so on and especially make it public. At times we've put in a certain amount knowing that it might be more because we don't know, and even if it was the only amount that we had, then if we made that public before there is any discussion or any agreement on the contract, that's not going to be proper negotiating.

**MR. D. ORCHARD:** That's correct, except I believe we're fixed into a contract right now.

**HON. L. DESJARDINS:** Well, but we were talking in general.

**MR. D. ORCHARD:** Not for 1988-89? Your contract is good until September 30.- (Interjection)- Yes, you've got a half-year reflection in here.

Mr. Chairman, that concludes most of the questions I have on this section.

**MR. CHAIRMAN:** The Member for River East.

**MRS. B. MITCHELSON:** I'd like to ask a question or two, Mr. Chairman.

Can the Minister tell me whether there are any standards, any criteria in place to measure the manpower requirements within the department?

**HON. L. DESJARDINS:** What do you want me to measure?

**MRS. B. MITCHELSON:** A measurement of job evaluation. What criteria is in place to measure manpower requirements within the department other than a request by a certain directorate to hire staff?

**HON. L. DESJARDINS:** You look at the work that has to be done . . .

**MRS. B. MITCHELSON:** Is there job evaluation being done?

**HON. L. DESJARDINS:** . . . and the staff that you presently have and then there is evaluation of the jobs every year.

**MRS. B. MITCHELSON:** So there are some standards to monitor the requirements and whether we in fact have too many staff within the department or not enough. You have some control then over that besides the department's request? Is there any other evaluation done?

**HON. L. DESJARDINS:** Well, of course, that also then, we have to go to Treasury normally who will evaluate again, look at the impact and so on, and at Estimate time the Cabinet as a whole will look at the amount of money that they will have and all that will be taken into consideration and prioritized as per job as per department.

**MRS. B. MITCHELSON:** Has it ever been studied to see whether you might have too much staff within the department?

**HON. L. DESJARDINS:** I'd never admit that, especially with the Minister of Finance sitting so close.

**MRS. B. MITCHELSON:** That's all for right now.

**MR. CHAIRMAN:** Was it the committee's wish to pass that section now?

**HON. L. DESJARDINS:** Pass.

**MR. D. ORCHARD:** You can't pass it. It's with exception of the Minister's Salary.

**MR. CHAIRMAN:** Yes, we understand that.

The hour now being ten o'clock, our regular time of adjournment, committee will rise.

Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, C. Santos:** Committee, please come to order.

We have been considering Item No. 1.(b)(1) Administration and Finance, Executive Support, Salaries, 1.(b)(2) Other Expenditures, 1.(b)(3) Policy Studies.

The Honourable Member for Virden.

**MR. G. FINDLAY:** This afternoon as we discussed the sugar beet issue, I was glad to hear the Minister identify that he worships John Diefenbaker, maybe he's seen the light a little bit. As the evening progresses, I hope he will start to see some more light. Sugar beets to me represents a very important diversification industry. This province needs diversification, I'm sure we all recognize it, and I would like the Minister to indicate whether he has any desire to see the industry survive in Manitoba.

Throughout the course of the discussion this afternoon, at no time did he give us any indication that he wanted to see the industry survive. There were a lot of political answers, a lot of reasons and excuses as to why he's taken the position he's at, but never any indication the industry should survive. Is he prepared to let it go to Alberta? Is that where he wants to see the sugar beet industry concentrate in Canada?



With the kind of acres we have in Southern Manitoba, to me it's a great crop to increase the acres of, not allow them to go down to zero. We only produce 10 percent of the production in this country that's consumed in this country. Surely, we can at least increase the acres 50 percent, maybe 100 percent over a few years with a proper stabilization program in place. The acres are there. If those acres, Mr. Chairman, come out of sugar beet production, what will they go into? They will go into rape, barley, wheat - the crops we already have surpluses of.

In terms of the entire western Canadian picture, high producing acres under that kind of climate should be out of the cereal crop production and into something else. Here we're going in the reverse direction. I would like to hear a clear statement from the Minister as to whether he wants the industry to survive or not. That's from a farmer's point of view.

Now let's look at the industry from a Winnipeg or an average Manitoba citizen point of view. What is the value of that industry to the Province of Manitoba? My understanding is it is approximately 15, 17 million at the farm gate, and up to about \$90 million total industry in this province, in terms of the economic activity it creates.

The Minister said 40 permanent jobs this afternoon. I challenge him. The plant says it's 100 permanent jobs, and over 200 temporary jobs - those are direct jobs. What about all the transportation jobs of hauling the sugar beets? What about the jobs of the industries that supply goods and services to the plant and to the industry at large? What is the total economic loss to this province of letting this industry collapse, which seems to be what the Minister would like to see happen? Has the government, as a whole, looked at what the loss would be in revenue, in sales tax, payroll tax, income tax, all the various revenues they collect? Is the Minister prepared to stand up and say the industry can be allowed to go from this province and lose its economic activity?

**MR. CHAIRMAN:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, I think my honourable friend - I will repeat again what I did before we rose at six o'clock, as to what any reasonable Manitoban would, how they would view the response of this government to an industry that has historically, and I say historically, because I did refer to John Diefenbaker back to 1958. Mr. Chairman, from 1958 to 1985 sugar beet production in Canada was supported through the Agricultural Stabilization Act that was passed by the Diefenbaker administration.

Mr. Chairman, through successive Conservative and Liberal administrations, was that support there when the market prices fell below the historical price received by the producers in relationship to the market? Mr. Chairman, in 1984, actually for 1985, in the fall of 1985, the Mulroney Government decided to end that relationship. They indicated that there won't be a sugar beet industry in this country unless provincial governments decided to contribute financially to that industry.

And unilaterally they made an announcement within two weeks before seeding that the industry would not

continue in this province or in any other province without provincial financial support after having, from 1958 to the 1985 crop year, federal support. They neglected to pay forward the '83 and '84 stabilization payments and to this day they have not allowed those stabilization payments to be made.

Mr. Chairman, during our negotiations with the Federal Government, and I will repeat again, this province did put up \$3 million to save that industry in the Province of Manitoba on the condition that there will be no further financial contribution required from 1985 crop onward, and that there would be a national sugar sweetener policy provided in this country. That agreement was sanctioned by the Minister responsible for the Canadian Wheat Board; your M.P., your Member of Parliament, signed that agreement, sent a telex confirming that agreement. They did not bring into place a sugar sweetener policy as they committed in 1985, so they decided to carry on that special arrangement, or a different arrangement for 1986.

Mr. Chairman, for 1987 they unilaterally announced a so-called tripartite scheme indicating all that's available is tripartite. Mr. Chairman, we responded saying that notwithstanding our agreement with the Federal Government we are again prepared to put in excess of \$3 million over the 10-year period, but we will not share in any of the deficits of the fund, neither will we go into a tripartite agreement that was unilaterally imposed.

So let the record be clear as to who is sincere and who isn't sincere about the industry. Who has lived up to their commitment and who hasn't? Mr. Chairman, we have lived up to our commitments. It is the Federal Government that is unilaterally trying to impose a change in venue in this industry while on the other hand making use of that same legislation that they say now is not available for sugar beets for other commodities in this country, namely, apples.

Mr. Chairman, \$12.5 million. On March 17 - not 1984 but 1987 - Agriculture Minister John Wise today announced that apple growers in British Columbia, Ontario, Quebec, Nova Scotia and New Brunswick will receive \$12.5 million in stabilization payments for their 1983 and '84 apple crops. Mr. Chairman, those members should be so embarrassed about the actions of their federal counterparts that there is money for every other commodity in this country but there is no support from the Federal Government for sugar beets other than some ill-conceived tripartite scheme which the producers don't want.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. B. URUSKI:** Mr. Chairman, the producers don't want that. Ask them. They want stabilization or a national sugar sweetener policy.

Mr. Chairman, the producers as well are operating with a gun to their head. Obviously, with no other choice in the matter, they are saying, well we want something, but we're not prepared to do that. We are not prepared to do that, Mr. Chairman, for the simple reason that, if they can do that for other commodities not named in the act, they can sure do that for sugar beets.

**MR. G. FINDLAY:** Mr. Minister, we're not talking about apples here, we're talking about sugar beets. We're

talking about a \$90 million industry and several hundred jobs. When CFI was talking about 100 jobs, you guys created a great tirade. Here we're talking 400 or 500 jobs. We've got employees out there being told by the farmers that there is no job unless there is a sugar beet industry, and this Minister still will not answer the question whether he's happy to see the sugar beet industry closing its doors, because he knows, if there are no crops sowed this year and the plant is not operating this year, it's closed for good. He knows that, the sugar beet growers know that, and they know that tripartite is the only solution they've got, and this Minister will not act. He is not acting.

**HON. B. URUSKI:** Mr. Chairman, finally the Conservative party has admitted that the producers don't have another choice. They don't have another choice, Mr. Chairman, because of their colleagues in Ottawa. They stand in this House and they defend the actions of Members of Parliament, his M.P., the Minister of Health, and they stand here and defend their actions.

Mr. Chairman, their Members of Parliament hold a gun to their producers' heads and these members come here and defend them. Mr. Chairman, it's outrageous to have a bunch of Conservatives here defend the actions of their colleagues. At least now they have admitted, at least they've now come to this House and have admitted that their colleagues gave the producers no choice. They didn't give them a national sugar sweetener policy. They didn't live up to their agreement that there would be no further financial contribution to Manitoba, but they are prepared to allow the costing of a program that was normally borne nationally 100 percent by the Canadian taxpayer through Ottawa, and to say that now it's only going to be 33 percent from Ottawa and 66 percent from Manitoba. Mr. Chairman, that's how they stand up for Manitoba. That's how they're standing up for Manitoba farmers and Manitoba agriculture - disgraceful!

Mr. Chairman, I repeat my words from before. They should be demanding the resignation of his M.P. for the despicable and clearly insensitive record on behalf of the sugar beet company. Mr. Chairman, if we were not concerned about the sugar beet industry, we'd have said that we have an agreement. We have an agreement with Ottawa that says no more money. That was the agreement on black and white. Notwithstanding that, my colleagues have said, look, we know that we want to protect the jobs in the industry and the impact on the Manitoba economy, and we will put in place again in excess of \$3 million, notwithstanding the agreement that we have from their own government, from their own brothers in Ottawa. They are saying go even further.

I raised the question, Mr. Chairman, earlier. No one answered it. Do you trust Charlie Mayer? Would you trust Charlie Mayer if he gave you such an agreement? Nobody said anything. Nobody defended Charlie Mayer here.

**MR. G. FINDLAY:** Mr. Chairman, the Minister of Agriculture says he has an agreement, a signed agreement. To me, an agreement must be signed by more than one party. Has the Minister of Agriculture got his signature on that agreement that he's talking about yet?

**HON. B. URUSKI:** Mr. Chairman, are members opposite saying that - clearly, are they saying that the word of Charlie Mayer on a telex is worth nothing? Is that what he's saying? Mr. Chairman, I believe the honourable member should clarify his statement, because that's obviously what he's saying.

**MR. G. FINDLAY:** Mr. Chairman, I get a little disturbed when a Minister is standing up and saying the Federal Government, 33 percent, and the Provincial Government, 67 percent. Let's get at the facts of this agreement now. Let's look at the facts of this agreement.

That is the levy to be paid at the rate of 3 percent per year. Mr. Minister, is it not correct that you pay only the levy annually for a period of 10 years, and the stabilization that's to be paid during the course of that 10 years is paid entirely by the Federal Government, and you're liable only for the deficit at the end of the 10 years? You've got no additional commitment annually but the \$300,000, the 3 percent levy. At the end of the 10 years, if it's not actuarially sound, then you may have a deficit to pay.

But, Mr. Minister, is there not a committee struck of six people, one from each province, two from the Federal Government, two from the producers, whose job it is to assess this ongoing program, to adjust the levies, to adjust the stabilization payment, to guarantee that by the end of the 10 years it is actuarially sound. If it is actuarially sound, Mr. Minister, you've got no liability other than the 3 percent stabilization payment per year. So therefore, you have no argument not to sign this agreement.

**HON. B. URUSKI:** Mr. Chairman, the real question in this debate - (Interjection) - Mr. Chairman, obviously I think the Member for La Verendrye who was provided a copy of the draft agreement that was prepared - and he asked me for it and I believe our staff provided it for him - should in fact give a copy of that agreement to my honourable friend from Virden. He might be able to look at what the terms of that agreement are, so that he doesn't get himself mixed up on what is, in fact, provided by that agreement.

But clearly, Mr. Chairman, what we have here is a case of the Manitoba Conservatives attempting to extricate their federal counterparts from a hole that they can - I want this debate to continue because, the longer it continues, the clearer it will become as to who is whose puppet. Who pulls the strings, and who says how high we jump. Mr. Chairman, that's really the issue in terms of this group in this Chamber.

The question of fairness on this issue, Mr. Chairman, we have a national dairy policy which is supported by the Federal Government 100 percent. Just about 80 percent of the national dairy policy quota is east of the Manitoba-Ontario border, 100 percent federally funded. What is it? \$300 million a year, no request for tripartite, none whatsoever, Mr. Chairman, announced a five-year policy. Long after that amendment in the legislation was passed, it was announced, there was no call for tripartite.

Now we have again another example; we have apples, an unnamed commodity, under the act. In 1987, what are we doing? We're making payments for 1983 and 1984, Mr. Chairman. We are now going to be making

payments, and these gentlemen opposite, and ladies, want to sit here with their blinkers on. They want to be embarrassed and they are embarrassed by their federal counterparts, and they don't know what to do with it. They should do like Mr. Kilgour from Calgary and threaten to resign, Mr. Chairman. Either that, Mr. Chairman, or call for the resignation of their Member of Parliament.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Well, Mr. Chairman, I would also like to make a few comments in regard to what the Minister just indicated. What my colleague, the critic for Agriculture, just stated - and the Minister was actually objecting to that - I would sort of indicate that the Minister of Agriculture should read the agreement, because I believe he is not informed, as that is exactly what it states, that there is going to be a member from each province, plus a grower from each province.

**A MEMBER:** So what!

**MR. H. PANKRATZ:** Well, that's what the agriculture critic was stating, and my question that I would like to pose to the Minister of Agriculture is, did he not, in 1985, sign this agreement? I have yet to hear him state that he signed it, this agreement, stating that they would go into a provincial agreement responsible for agriculture, as agreed to by all Agriculture Ministers. And was our Minister one of them?

I want him to state he has signed that because if he goes back to the '85 agreement, Mr. Chairman, then I want to ask him if the Minister of Finance, like now in his Budget, indicated in regard to Hydro, that it was a one-time increase, 4.6 percent in Hydro. Does that mean that Hydro will never in history again ever have an increase? Is that what you're referring to? This is what you are trying to tell us in one sense, Mr. Minister, when you are going back to that agreement with what Charlie Mayer indicated to you.

I think it is totally unjust for you to relate to that constantly after what you agreed to with them with the rest of the nine provinces, that you would work out an agreement. And where do you see us as growers in the Province of Manitoba to go but to the Provincial Government? You want us to go to the Federal Government. I don't for one minute deny that possibly the Federal Government shouldn't go to this sugar policy, but when you break down what that sugar policy should do, it should just do a study. That's all that was meant to do. And if you would consent to in some way keep this industry open today, maybe that sugar policy would work out for the future, but at the present time it seems to be allowing the whole thing to falter.

I'll tell you what one person indicated to me today, Mr. Minister, and I want you to realize this. He went to a Safeway store and he wanted to buy a turkey - Mr. Minister, I wish that you would listen - and that turkey should cost \$40, and he went across the line to the United States and he bought a turkey for \$16 in Canadian funds. Now, when you want to look at that - (Interjection)- That's right. And I think, Mr. Minister, you have to look at this from all aspects of it. It's not that the sugar industry today cannot compete on the

world market; it's that the sugar industry can't accept the dumping that's going on from different countries. And I think, Mr. Minister, you should explain that in detail whether you are going to allow this to go down.

When you indicated before, Mr. Minister, whether we would trust Charlie Mayer more than you, I think there would be no question about it. I think there is no question in our mind on this side of the House, Mr. Minister.

But I still believe that we, as the Opposition here today, still have some faith and some confidence in you and also your colleague beside you. The colleague beside you should never open his mouth. He put this country in a deficit position that you should be ashamed of as having been the Finance Minister. You should be the last one to advise the Minister of Agriculture on one thing in this House. You should be ashamed of that - (Interjection)- sure, that's right, like you were playing cards before. That's what it amounts to. But I still believe that, when all the facts have been put on the table, and I believe our Minister of Agriculture is not that naive because we, on this side of the table, look at what it will do for Manitoba.

I'm not defending the Federal Government. I stated that to the Minister last year, and I'll repeat that today again. I'm not here to defend Charlie Mayer or Jake Epp or the Federal Government. I'm here to try and see that we keep this industry, which I'm a member of or a part of, which is basically an \$80 million industry, for the Province of Manitoba.

I would like to question the Minister. When he can throw \$13 million at the hog industry - he was going to check those figures, and maybe he can get back with them now. The Manitoba Sugar Company has 100 full-time employees with an average salary of \$14 dollars an hour. That's nothing to sneeze about. Those hundred people, I'm sure they have families and homes and everything to look after. You know, if you want to be so generous, why don't you donate half of your wages if you want to be that generous?

Then you break it down into the industry, the growers plus the equipment dealers. I think this Minister has a responsibility, he has a great responsibility to the Province of Manitoba which he's been elected to. I think, in all fairness, he needs to explain that national sugar policy which you've been working on. Yes, you said that national sugar policy should be the one which should increase the price so as growers we could all - but remember, all that the national sugar policy will do is just doing a study, but I think you have to be aware of that. When they are through in 60 days - it has been extended, which you are aware of. I don't think we should try to update you, okay? So those 60 days that that sugar policy study has been extended, all they'll come back with are recommendations. That's all. - (Interjection)- No, that isn't enough.

That is not enough, and I would ask the Minister that he should indicate to us where he wants to leave 28,000 acres of land in agriculture. You have all kinds of educational classes that you were proposing before as part of your Budget. I think you should come up with a clear indication of what 28,000 acres should be seeded into and whereby anybody would be able to have a cost-plus factor like, I don't have to mention it again, what you're part of. I will never be able to relieve you from it as long as - and I believe very strongly, like my colleague indicated, that it can be a conflict of interest.

On one hand, the Minister himself is a part of something of that nature. On the other hand, he's got at his control something that there are about 400 growers, plus 200 employees who are waiting for this Minister to respond to. I think it's very unfair. I have a copy of the agreement here before me and, you know yourself, you have an option after three years. At the same time, there's a six-man board like my colleague already indicated, which shall be reviewed on an annual basis, that there shall never be how you have been trying to mislead this House, that there shall be a \$5 million deficit after two years or three years.

If the six-man board is going to live up to its responsibility as board members, it shall be readjusted on an annual basis. So I would wish that the Minister of Agriculture now would take a little bit of time and explain to everybody in this House how he misconceived to this House how he'd have a loss of \$5 million. I wish he would indicate to us with that board how that still is possible to happen.

**MR. CHAIRMAN:** The Honourable Minister of Trade and Industry.

**HON. V. SCHROEDER:** I've been listening for some time with increasing amazement to the comments of the Opposition members of this House with respect to sugar beets. I am shocked that the member would get up here and suggest that there is an agreement in effect that we are violating when in fact he knows, and every single sugar beet producer in this province knows, that there was an agreement entered into in 1985. The agreement was for one year, and the agreement was very specifically for one year only - only. It was a one-time-only arrangement.

There was a commitment by Charlie Mayer, the man you trust, who said: "The government will not require any further financial participation by the Manitoba Government beyond the 1985 crop year," - very, very clear. Those of you who were here then - and the Member for Morris was here and you were here and so on. We were saying, we're not getting into a program, another one that the feds are going to offload on us under any circumstances whatsoever. We will not do it.

**MR. J. DOWNEY:** Mr. Chairman, on a point of order.

**MR. CHAIRMAN:** Point of order, the member will state his point of order.

**MR. J. DOWNEY:** Mr. Chairman, when he refers to you were here, who is he referring to when he makes that comment? He makes some mention of the Member for Morris. Who else was that he was referring to?

**MR. CHAIRMAN:** The member very well knows that's not a point of order. It's a point of clarification more.

**HON. V. SCHROEDER:** On a point of clarification, I was looking at the Member for Arthur. He was here at the time. It was very clear that we were putting nothing in unless the Federal Government contracted with us that we would not be involved in this thing after '85, because they were going to have a national sweetener

policy. That was when they were going to have the national sweetener policy.

So what happened? Two years later, they come back and they say, the good old days of John Diefenbaker are gone for Manitoba, they're gone. You're going to contribute and the farmers in Manitoba are going to contribute, and we're going to go down from 100 percent funding to 33 percent funding. We think that's fair, is what Brian Mulroney is telling you, and you are being like a bunch of sheep, quiet and say, well that's fine with us then.

It's okay that Quebec and Ontario apple growers get 100 percent from the Federal Government going back to 1983 and 1984 and so on, 100 percent, because after all they're from Central Canada and they deserve it. It's okay that eastern growers get 100 percent on soybeans, and your constituents are supposed to go down to 33 percent on sugar beets. It's okay that eastern farmers get 100 percent on federal contribution on wheat, but here we're going to change it from the historic 100 percent for sugar beets down to one-third.

I want to tell you something about how you can help us to stop this nonsense. Stand up for Manitoba. Do something in the way that your Alberta counterparts did. Take a look at what they did to save the oil industry. After they got a \$1 billion decrease in taxation for oil a couple of years ago, after they got the deregulation they asked for - that's \$2 billion - after they got those tax decreases, specifically at their industry, they came along this year and said that's not good enough. If you don't do something about it, we're considering changing parties. We're considering changing the name of our party, getting away from you people because you're no different than Trudeau.

Incidentally, I want to say that Trudeau was far better to the sugar beet farmer of Manitoba than Brian Mulroney and Charlie Mayer and Jake Epp, who are the people who are cutting down from bad old Trudeau at 100 percent down to good old Brian at 33 percent.

If you people took the courageous stand that you ought to take and say, this is wrong. This is not fair in a country like this where they are giving 350 million to the oil industry in Alberta, where they are giving the CF-18 to Quebec, where they are giving apples to Ontario, Quebec, B.C. and so on. In Manitoba, we're supposed to take the lumps in terms of this sugar policy.

I think you people should be considering. Look in the mirror as you're looking how this industry is going down the tubes. It is going down the tubes as a result of your silence. You have not once in public stood up and said, we believe it's not fair for the Federal Government to take this burden and dump it onto the shoulders of the farmers of Manitoba, one-third of it to the farmers of Manitoba and one-third of it to the other taxpayers of Manitoba. That's not fair. In other provinces, your own party is standing up for the rights of their taxpayers.

You people are like a bunch of sheep. You're sitting back saying nothing, except you're always attacking the Provincial Government. At the same time, you stand up and yap about the deficits, deficits incidentally which are lower than Tory deficits to the west of us . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. V. SCHROEDER:** Well, isn't that funny. You want them that high? You want \$1.2 billion as Saskatchewan

has this year? You think that's great - (Interjection) - and you say, what's a billion? The Member for Roblin-Russell just said, "What's a billion?" It's taken 30 years since C.D. Howe said, "What's a million?" to get the Member for Roblin-Russell to say, "What's a billion?"

**MR. CHAIRMAN:** The Member for Roblin-Russell wants to join debate.

**MR. L. DERKACH:** Mr. Chairman, I would suggest that the Minister of IT and T wash his ears out and listen to what's being said rather than construe something in his imagination and then spew it out.

**MR. CHAIRMAN:** That's a point of clarification again.

**HON. V. SCHROEDER:** If that was a clarification by C.D., then that's fine, but he did say, "What's a billion?"

Mr. Chairman, I just want to emphasize that members opposite, no more than anyone else, can have it both ways. You can't say at the same time, you're spending too much, while you're standing at the same speech and telling us we ought to be spending more money. We ought to again be offloading from the federal shoulders.

I think this is an interesting debate. I ask the members as they stand up over the next few hours as we debate sugar to address the issue of the fairness. Answer the question. The Member for Rhineland, tell us. Is it fair that this is happening in Alberta with the oil industry 100 percent and in Manitoba they said one-third? Is it fair, the Member for Emerson, that we are into a position where, in Quebec, they get 100 percent on soybeans? Here, we're getting down to one-third on sugar beets? Is it fair that the wheat payments in the east are staying at 100 percent and here we're down to one-third? Are those things fair? Address those issues. If it is not fair, then don't you think it's about time you stood up for Manitoba?

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Thank you, Mr. Chairman.

I don't think that we need to even respond to those last few minutes of comments from that Minister, but I would like to go back to the Minister of Agriculture.

I'd like to ask the Minister of Agriculture a specific question. How much in dollars can Manitoba export sugar if we would go into this tripartite stabilization?

Mr. Chairman, I wish he wouldn't have to ask 10 people before he responds, because I'd like to know what he knows about this agreement.

**HON. B. URUSKI:** Mr. Chairman, I know that there are discussions going on about those export permits. In fact, they are having discussions, I was advised today, about trading some of them off. Well, Mr. Chairman, that whole question in my mind is irrelevant to the basic debate of the sugar industry and national sugar sweetener policy.

Mr. Chairman, just for my honourable friend's information, we gave the Federal Government an out, because if in fact he is as honest and as concerned about the industry as he purports to be - the Member for La Verendrye, Sir - he would have indicated that

why not continue the relationship that they had in 1986 in through 1987 to have that national sugar sweetener policy in place that his own colleagues promised in 1985 and didn't deliver on either?

**MR. H. PANKRATZ:** Mr. Chairman, to the Minister of Agriculture.

I'm not going to argue that point with him at all, because if he could negotiate that with the Federal Government, we, as growers, would by all means and anybody on this side of the House would totally go along with that agreement. But we're not in a position to negotiate. It's that Minister of Agriculture and only him that has that power in his hands.

But it's obvious today, right now, that he doesn't even know the amount of export sugar that is available through this agreement to the Province of Manitoba, but I think, with that in mind, the people of this province ought to know that this Minister isn't even knowing what this tripartite agreement consists of. I would wish that he would expand a little bit more on that.

**HON. B. URUSKI:** Mr. Chairman, I understand that those quotas have been cut this year. There is no longer the open-door policy that we've had with the United States. But, Mr. Chairman, I think members opposite are in fact hiding under their chairs in an endeavour to defend their colleagues. Mr. Chairman, they are doing a disservice to their constituents and to provincial Conservatives in defending their federal Tories.

You know, Mr. Chairman, even the federal M.P.'s are rebelling against Mulroney. Mr. Chairman, you read in every paper: "Government M.P.'s unhappy with P.C. farm policy." You just go through the national agricultural papers and you look at federal Conservative members saying, look, we're blowing it. Mr. Chairman, we all know there's a problem and one of the M.P.'s, the M.P. from Moose Jaw, says, "I'm discouraged and somewhat amazed that we're still studying the problem, Moose Jaw Government M.P. Bill Gottselig told the committee after hearing an FCC proposal."

Mr. Chairman, even the Conservative members are starting to rebel against their national brothers and it's these puppet Tories, these provincial Tories will stand up in this House and defend the indefensible. That's what they've been doing, Mr. Chairman, for several hours today and they cannot see the light.

Mr. Chairman, they should be telling their Members of Parliament, the Member for Portage, the Member for Virten, the Member for La Verendrye, that those two Members of Parliament, Roblin-Russell, Ste. Rose, all of you should be telling those Members of Parliament that unless you provide a fair policy for Manitoba farmers, the kind that you're providing farmers right across this country, we are disowning you, resign. That's what they should be saying.

**MR. H. PANKRATZ:** Well, it's obvious that the Minister couldn't answer my question. He doesn't know how much in this agreement is export sales. It's in the agreement and he doesn't know. It's obvious, so he goes on a tantrum like usual and wants to blame the feds and everybody else. Like I indicated right from the start, I am not defending them. I'm not agreeing that the way they went about it is supposed to be 100

percent, but the fact remains that we, as growers, have no alternative but to look to our Provincial Government, and that this Minister today doesn't know what this agreement even indicates. I think it's a downright shame. So with that, I am concluding my questions to the Minister.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Mr. Chairman.

First of all, I guess it's understandable why the other side are in the kind of chaos they are in, especially when the Minister of IT and T stands up and says that he heard me say something about a loss of - what's a billion dollars? - when in fact I uttered no such statement. He goes on for five minutes about that, but you see that is typical of the kind of misrepresentations that this Minister makes when he stands up to speak, Mr. Chairman.-(Interjection)- And yes, he says, we'll run the tapes. Let's run them and see whether in fact I did make that statement, and then I'll expect an apology from that Minister.

Mr. Chairman, I have sat here and listened to the political diatribe that has been coming across from the other side, and I'm getting just a little bit tired of seeing the Minister of Agriculture and his cohorts wallow in that gutter, spewing all kinds of abuses at other jurisdictions, and then saying that they are doing all they can for agriculture.

Well, Mr. Chairman, we have asked for some assistance for the sugar beet producers. The sugar beet producers have asked for assistance. The Federal Government has come up with a tripartite agreement. The Alberta people are ready to sign it; the producers of Manitoba are ready to sign it. The only one holding back from signing this agreement is our Minister of Agriculture. And what is the impact going to be to the sugar industry in this province, Mr. Chairman?

Well, it's not going to be the 100 jobs that CFI might have created. It's going to be in the hundreds of jobs, 400 or 500 jobs. This government did not see fit to come to the rescue of the Versatile plant. Instead, it was the Federal Government that came to their assistance, but they tried to take the credit, Mr. Chairman. Here is an instance -(Interjection)- Well, what did Ford say? Here goes the Minister of IT and T. He's asking what did Ford say. What did the Provincial Government say? Why don't they ask themselves, what did the Provincial Government say? They said nothing.

**A MEMBER:** What did Ford say?

**A MEMBER:** Ford has a better idea.

**MR. L. DERKACH:** Yes, Ford has a better idea.

Mr. Chairman, we have an industry that's on the verge of collapse, not just the entire farming industry but just one segment of it, and that is the sugar beet industry. This Minister is not willing to come to the assistance of that industry. Yet, in the long term, in the 10-year period, it is not going to cost this government a penny. It isn't. Yet he sits there, and every time when he stands on his feet, what does he do? He points at Ottawa and he says, it's their fault, regardless of what the problem. It's their fault. Pretty soon they're going to take that

Golden Boy down off the top of this building and they're going to erect the Minister of Agriculture up there, pointing his finger at Ottawa and, unfortunately, the rest of his anatomy at the rest of the province.

**A MEMBER:** I hope they put some clothes on him.

**MR. L. DERKACH:** Mr. Chairman, I think it's time that we cut out this bickering back and forth and we got down to the specifics of what this problem is all about. The sugar producers need some assistance. If, in the long term, there is a possibility that this program is not going to cost the Provincial Government any substantial amount of money, then I appeal to this Minister of Agriculture to sign the tripartite agreement on behalf of the sugar producers of this province and save an industry that is bringing this province millions of dollars.

If they don't sign the agreement, Mr. Chairman, what is going to happen? We are going to have those producers put in the kinds of crops that other farmers are putting in, the crops like wheat, rapeseed, barley, which are already glutting the markets. We're going to have an overproduction even greater than what it is today, which is going to create even a greater problem for farmers.

What is going to happen to some of these producers? Some of these sugar beet producers probably are staying in the farming business because they have been able to grow sugar beets. If they're not going to be able to get those contracts or sign those contracts because there's no money in it, what is going to happen to them? Are they going to be facing bankruptcy? Are there going to be many families going on welfare?

But I'd like to ask the Minister of Agriculture what, in his estimation, this plan would cost the Provincial Government in 10 years.

**HON. B. URUSKI:** That information, specifically, was provided to his colleague, the Member for La Verendrye, over a week ago in terms of what the agreement was, what the numbers of the proposal in terms of what we expected the deficit would be over the 10-year period and what the premiums . . . Over five years, because the projections are only for the first five years. I'm sorry, Mr. Chairman.

The Honourable Member for La Verendrye continually made and has made mention that we signed a National Agricultural Strategy on agriculture by 10 governments, and that tripartite was the area in the National Agricultural Strategy.

I want to read to him, quote to him from a section dealing with income stabilization programs from the National Agricultural Strategy which we supported. I think you will find some of the documentation there very interesting.

Mr. Chairman, "Farm price or income stabilization programs constitute particularly effective tools against the negative effects of price fluctuations in domestic and international markets. Under the federal Agricultural Stabilization Act, the Federal Government provides market risk protection through its general price support formula, as defined in the act, or through tripartite agreements involving producers and the Provincial and Federal Governments.

"In addition, some provinces administer their own income stabilization programs and the Federal Government operates the Western Grain Stabilization Program. The Ministers of Agriculture affirm that the harmonization of stabilization programs continues to be a major objective among its governments." Anybody disagree with that? Nobody can disagree with that. "For example, the principles of voluntary participation and cost-sharing are now well established in federal-provincial and provincial programs." Voluntary, Mr. Chairman, participation.

"The Ministers of Agriculture recognize that differing views do exist. They also recognize that the provinces have the jurisdiction to assist their own producers. However, in the interests of harmonization, the Ministers of Agriculture agreed that stabilization programs must not serve as a production incentive program." No disagreement there. "Stabilization programs must be established in a self-sustaining, actuarially sound manner." Nobody has any difficulty. "National stabilization programs must be sensitive to regional differences." Any difficulty with that? I haven't heard - they agreed with the first two. I haven't heard the third one. A little different - that's the three issues.

Mr. Chairman, it's okay to be regionally sensitive for apples; it's okay to be regionally sensitive on national dairy quota, \$300 million for Canada, the bulk, 80 percent of which is east of the Manitoba-Ontario border; it's okay to be regionally sensitive on corn, soya beans and winter wheat east of the Manitoba border. That's okay to be regionally sensitive. Is it regionally sensitive when Western Canadian farmers pay one-third of grain stabilization, Mr. Chairman? Is that regionally sensitive?

Is it regionally sensitive that we pay \$12.5 million to apple producers but nothing to sugar beet growers for the same two years under the same piece of legislation? Is that being regionally sensitive? Mr. Chairman, let's talk about that National Strategy Program and see where these Conservatives stand and how close they are with Ottawa.

**MR. CHAIRMAN:** The Honourable Member for Morris.

**MR. C. MANNES:** Thank you very much, Mr. Chairman, I wasn't planning to take over - (inaudible) - although I was enjoying him greatly this afternoon.

Mr. Chairman, it was the great wisdom that poured out of the former Minister of Finance that caused me to rise. He asked a rhetorical question, is it fair, and then he went into a little bit of history with respect to the Province of Alberta and how they had gained certain concessions, particularly within oil pricing, that manifested themselves in some significant savings and revenues to that province.

Mr. Chairman, I don't know specifically how you define fairness. I know the Minister opposite can't define it either. I suppose Alberta could bring in the fact that in their view, when world oil prices in this nation were held down - pardon me - when domestic oil prices were held far below world oil prices, and that they felt they subsidized Canada to the tune of \$80 billion, that in their mind, any sort of action that was taking place could not make up for that.

I only say that because I'll move to the discussion, and that is sugar beets, how does one clearly define

what is totally fair? The Minister now challenged me to talk about Charlie Mayer. I can say in all respects I have found that Minister, in charge of the Canadian Wheat Board, to be the fairest and to be the most strongly versed Minister within his area of responsibility; and the one in my view, considering the times, Mr. Chairman, considering the difficult times that we are in, is the most highly regarded Federal Minister in many respects.

So if the Minister wants to evoke a response of some support for Charlie Mayer, I provide it. I put it on the record gladly.

Now, specifically to sugar beets. Mr. Chairman, I can remember 1985. I was sitting here and I can remember the Minister of Agriculture at that time saying we're not going to enter into any type of agreement until indeed there's some indication from the Federal Government that we will not have to be making a long-run commitment, one where it will be open-ended and we don't know what our cost will be for the number of years, and I remember him saying that.

Mr. Chairman, what specific commitment was made by the Minister in charge of the Wheat Board at that time, and what its full interpretation is, to me is a little bit secondary. I can understand from their viewpoint why it isn't. What is happening here is that we have a major Mexican stand off. We've got a case where some basic principles are at stake. It's something like a custody battle, where one party particularly refuses to give an inch. - (Interjection) - Well, the Minister says he has custody. Then if he has custody, Mr. Chairman, why is the child, the sugar beet grower in this province being torn asunder? If they've got custody, if everything is going well, then why are the sugar beet growers coming in here and appealing to the government for some type of support?

Mr. Chairman, if they've got such an iron-clad agreement, then why don't they take it to court, do something with it? These times are changing; these are changing times. Let's recognize where we're at. Let the members opposite do two things - firstly, tell us what contingency plans they have in place; indeed, if this stand off, this tremendous battle where no one dares give between the Federal and the Provincial Governments - (Interjection) - Mr. Chairman, the Minister threatens me from his seat. He says, "Stand up for your constituents."

Mr. Chairman, that's what I'm doing here. I have been as critical of the Federal Government on a number of policy areas as any member in this House; so, Mr. Chairman, he doesn't have to tell me to stand up and he's going to threaten me.

All I'm saying to him is tell us what contingency plans are in place because there's a tremendous battle going over a scared and endangered child, Mr. Chairman, and if the members opposite don't see that, if they're going to play this hard political game, the province versus the Federal Government . . .

**HON. B. URUSKI:** I never saw such a gutless bunch of . . .

**MR. C. MANNES:** Mr. Chairman, the Minister of Agriculture says, "gutless." He says "gutless." Mr. Chairman, I've heard members opposite be as critical,

more critical of the Federal Conservative Government than these - I've never heard one criticism of the federal NDP policy from these members opposite on anything. Give us a little bit of the benefit of the doubt. At least they've heard criticism from us as to federal policies.

Mr. Chairman, the issue is larger than that. We're now two or three weeks away. The question is very specific. Does the Minister feel that, within the next two or three weeks, he's going to win this game of poker, blind man's bluff? He's going to continue to do it. Does he really believe, Mr. Chairman, that members opposite if, all of a sudden, we go down en masse to Ottawa that we are going to force Ottawa to continue 100 percent funding? Mr. Chairman, does he believe that? Mr. Chairman, does he believe that, or is he going to tell us specifically how far he's going to carry this bluff? And secondly, to what degree? What contingency plan is in place, Mr. Chairman?

The sentiments offered by the MLA for Ste. Rose when he said the issue was so great, and how long is it going to continue, Mr. Chairman? To the Minister of Agriculture, what contingency plans are in place if the Federal Government does not show its hands, Mr. Chairman, and come forward and pay its 100 percent, as indeed the Minister wants? What is the contingency plan?

**HON. B. URUSKI:** Mr. Chairman, the provincial Tory Party better have some plans available for their friends.

Mr. Chairman, when he talks about no commitment, \$3.1 million over ten years when we have an agreement that we don't need to put any further money up is no commitment? Mr. Chairman, I find that kind of a suggestion ludicrous. Mr. Chairman, we have a federal agreement, and we have one that says no further money beyond 1985 and a sugar sweetener policy. None of those two commitments were met.

Notwithstanding that, we believe that the industry is very much a part of Manitoba, and we are prepared again - (Interjection) - Oh, where were you two weeks ago? So \$3 million is nothing, Mr. Chairman, according to some members opposite. So there's no commitment. Mr. Chairman, it is up to Conservative members to get on that telephone to their own colleagues in Ottawa and say it is unfair how you are treating Manitoba and Manitoba farmers. That's what has to be done, not the Member for Morris saying what kind of contingency plans.

Mr. Chairman, what kind of contingency plans did we have or did anyone have two weeks before seeding in 1985, when the Federal Government came to us and said there's no industry unless you cough up. We're in the same position again, Mr. Chairman. The only thing is, we negotiated in '85 and we have a commitment, Mr. Chairman, and that commitment will rest with their members and themselves, whose constituents they also represent.

**MR. C. MANNES:** Just a very brief comment, the Minister has chosen not to answer my specific question. That's fine, I will accept that. But I can tell you specifically what I took out of his remarks, and that was this. He does not have anything in place, that he's going to play this right to the hilt. Indeed, Mr. Chairman, if planting starts in three weeks, and hopefully it will . . .

**A MEMBER:** Two weeks.

**MR. C. MANNES:** . . . or two weeks, Mr. Chairman, he's saying the growers are completely on their own, because he will use them as the pawn in this battle with Ottawa. They will go to the field without the knowledge of any Provincial Government support, Mr. Chairman, before this Minister will allow Ottawa off the hook, so to speak, using his terminology or trying to paraphrase what he's said, believing that there's something in place, basis the 1985 level.

**HON. B. URUSKI:** Mr. Chairman, I am asking every member of the Conservative caucus in this province to get to their editors, to get to their reporters, to get on the telephone and tell their colleagues in Ottawa that what they have done is not fair: not fair for Manitoba, not fair for their constituents, not fair in the national interest in terms of how agricultural policy is administered in this country. I am asking the support of every Conservative member in this House. They can have a say. Follow Mr. Kilgour, Mr. Chairman, follow some of their own Members of Parliament who are objecting to Conservative agricultural policy in Ottawa. Do that. Get off your butts, Mr. Chairman, not sit here and be apologists for the federal Conservatives. That's what I'm asking every Conservative member, not get up in this House.

Mr. Chairman, what are we going to do? We have already said, \$3.15 million for the next 10 years to the industry. That is our contribution. It has been made, it has been rejected, Mr. Chairman. Now it's your job.

**MR. CHAIRMAN:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I'm listening with some interest to the government's defense of their non-support of the agricultural producers in the province, particularly using their traditional whipping post or whipping boy of the Federal Government as their main objective to moving to support the agricultural industry.

I think, Mr. Chairman, it's only appropriate to put on the record the dollar value that the Federal Government have put into the agricultural community in Manitoba, opposed to what the Provincial Government have put in. I think it's something like in the neighbourhood of \$534 million.

I'm pleased that we've got one of the main farm press reporting here tonight. It's somewhat unusual to have agriculture reporting in the Legislative Assembly, but I'm pleased that they're here to participate. I say that it's important to look at the overall figures. There's \$534 million plus come from the Agriculture Department of the Federal Government or the different departments to Manitoba, as opposed to \$85 million from the Provincial Government. Now let's just take a look at those two basic figures.

The Minister of Industry, Trade and Technology supported a part played by the phantom Minister of Agriculture in Manitoba, saying that they're holding their ground on a position to force the Federal Government's hand. Look, with those kinds of overall basic figures, the case the provincial New Democratic Party have got is absolutely unjustifiable. How can they - (Interjection) - I am saying, Mr. Chairman, through you to the Minister



of Agriculture, that the case that he's putting forward, politically or any other way, to the people of Manitoba, is absolutely unjustifiable and unsupportable. He can't maintain the position of support to the farm community of \$85 million when the Federal Government are putting in \$534 million. It just won't wash.

The Federal Government, as far as I am concerned, whether it's Charlie Mayer, who I strongly support, whether it's Lee Clark, whether it's Jake Epp, whether it's Felix Holtmann, whether it's George Minaker, whether it's Brian White, whether it's any - Jack Murta - their record far exceeds what the New Democratic Party have done for the agricultural community in Manitoba. I'll stand in my place and I'll say it, and I'll stand in any community in Manitoba and say it. Their record far surpasses the measly two-bit approach that this NDP Government are putting forward to the farm community. I'll say it here and I'll say it in any community in Manitoba, because the numbers speak for themselves, Mr. Chairman.

But let's look, let's take a minute and look. The Minister was kind enough to pass out his supplementary information for legislation, but here's what the Department of Agriculture overall objectives are; yet he stands here and contradicts precisely what he put in his Supplementary Estimates.

Here's No. 1, "to maintain and expand production of agriculture commodities, particularly . . ." - and I emphasize particularly - ". . . those which lend themselves to further processing in the province," examples, beef and hogs. Fine to further process beef and hogs, but what about the sugar beet industry, Mr. Chairman? How many jobs are there in Fort Garry?

I am astonished that the Minister of Industry, Trade and Technology will stand in his place and be the Minister who is so opposed to the support of the sugar beet industry, 250 jobs - (Interjection)- No, 250 jobs in the Fort Garry plant that he's prepared to scrap, 400 agriculture jobs or farm job operations the Minister of Agriculture is prepared to politically flush down the drain. That's the approach . . .

**MR. C. MANNESS:** Well he's going to show the feds . . .

**MR. J. DOWNEY:** He's going to show the feds. Oh, it's a great position to take. But remember, he's on pretty weak ground, because his 85 million comes up pretty small compared to the 534 million that comes from the Federal Government.

Let's go to No. 4 of one of his main objectives of his department, "to stabilize farm incomes." What are we asking him to do? To help stabilize a farm income. My goodness, it's in his own handwriting; it's in his own "bible" that he passed out. These are his objectives, "to further add to the processing and the job opportunities to stabilize farm income."

Let's go to No. 8 and we'll go to the conclusion, "to support overall Provincial Government priorities including community economic development and employment creation." My goodness, Mr. Chairman, and ladies and gentlemen of this Legislative Assembly, what are we asking him to do but precisely what he has in the objectives of what he's asking us to give him support for in his Estimates?

I asked the media of this province, are we unfair? Are we unfair to ask the Minister to live up to what he's put in his preview of his Estimates? Are we unfair? I ask in public opinion, are we unfair for him to support 250 jobs in Fort Garry, 400 sugar beet growers, all the farm machinery suppliers, the fuel, the fertilizer, the chemicals, all the spinoffs? Yes, Mr. Chairman, we're being unfair to ask him to participate in the very objectives that he set out. Now that is being unfair?

He says, the main reason that he's not going to do it is because he's going to teach Ottawa a lesson. Mr. Chairman, I ask him to take a look at the political side of it as far as the seats that he is going to gain for his provincial friend in Ottawa, Mr. Broadbent. You know what? Their position, the Honourable Leader of the present government, the Honourable Minister of Agriculture, Industry, Trade and Technology, the one position that they're going to take that's going to fix them politically in Western Canada is to support Mr. Ed Broadbent in the giving of special preference to Quebec to sign our Constitution, to join this country and sign our Constitution, by giving them veto power over language, over cultural affairs. He thinks that he's going to gain special privileges for he and his political party by standing off and killing an industry, killing the things that he says are his objectives, going opposite to what he believes in what he's saying should be put in place.

I've just come back from a little tour of the West. I'll tell you, the Alberta Government, yes, they disagree in certain areas with the Federal Government but, when it comes to the interests of the people they represent, they don't stand off and make them suffer for their own political ambitions, as this Minister and the Minister of Industry, Trade and Technology.

Can you imagine the Minister of Industry, Trade and Technology killing the sugar beet industry? Well you know, the Minister of Industry, Trade and Technology we have in the Province of Manitoba, it doesn't surprise me because he's left a legacy of a \$3 billion deficit. We have pretty near a \$500 million carrying charge on our debt. You know who gave us that? The Minister who's prepared to kill the sugar beet industry, the Minister who's prepared to kill 400 sugar beet producers and all the supporting industries.

Yes, he's now taking advice from the former Minister of Telephones, who would sooner put \$28 million in the pocket of a rich Saudi sheik, rather than help 250 jobs in Fort Garry or 400 sugar beet producers or all those people supporting it. He would sooner put \$28 million in the pocket of a sheik in Saudi Arabia through the Telephone System than help them.

I've got one other thing before I conclude my remarks, Mr. Chairman, that might be helpful to the Minister because he says you always want to spend more money. Well if I understand it and I just refer - and I only would like an indication. It's something like \$350,000 that they're asking to put forward - (Interjection)- \$315,000.00. Well, let's go to this same book that the Minister passed out, because it might be helpful to him if he says where are we going to get the money.

Well, Mr. Chairman, let's go to page 69 and, if his staff have a little bit of time to look at the book rather than the political clippings out of the papers, I would suggest that we go to page 69 and we look at the Manitoba Farm Lands Ownership Board. Do we still

need a Manitoba Farm Lands Ownership Board in Manitoba?

**A MEMBER:** Do we need the act?

**MR. J. DOWNEY:** Do we need the act? What do we need a Manitoba Farm Lands Ownership Board in Manitoba for today? The reason they put it in was because land prices were supposed to be skyrocketing because of outside pressures. Land prices have now gone to half or less. Nobody wants to buy land in Manitoba or outside Manitoba, but here's what it's costing us to maintain the Manitoba Farm Lands Ownership Board. We've got four staff members, and it's a total cost of \$170,000.00. That's page 70, and we could do away with the Manitoba Farm Lands Ownership Board and that would give us \$170,000.00.

Let's proceed onto the next page, Mr. Chairman, to The Family Farm Protection Act. Now that's the act that's going to save agriculture and all those people who are going bankrupt. Well I'll tell you, Mr. Chairman, if he helped the sugar beet producers, that might help more farmers than what The Family Farm Protection Act is going to help. There's \$410,000 that we don't need to spend as taxpayers to what, he says, helps the farm community. So we've come up with over five hundred and some-thousand dollars.

There is money, Mr. Chairman. There is the money that, if he said, look we can give some civil servants a chance to go out in life and make a different kind of a living. They're capable of doing it. We could take the money out of those two areas and maintain - and I emphasize this again - 250 jobs at Fort Garry in the sugar beet processing plant, 400-and-some producers of sugar in this province and, Mr. Chairman, all those people who supply goods and services.

I, Mr. Chairman, have no questions for the Minister of Agriculture, other than to say: Will he and his Minister of Industry, Trade and Technology, and his Premier come to their cottonpickin' senses and do something that's supportive of the farm community, rather than play the big political game that they're so anxious to do with the Federal Government.

They're not going to win. In fact, I see him drinking Diet Coke. What's that doing for the sugar beet industry in the Province of Manitoba? It's demonstrative, Mr. Chairman. My goodness, his staff are even drinking it too. Now if that isn't a lack of leadership, using artificial sweetener, my goodness sake. I hope there are sugar beet producers here because I can tell you, when the Minister of Agriculture has to drink Diet Coke, I'll tell you, that's a real slam in the face to those people. I mean, talk about being thumbs down.

The main point, Mr. Chairman, is the Estimates Book says he's supportive of diversification and employment opportunities. That's what he's supportive of. Mr. Chairman, I plead with the Minister of Agriculture not to play a political game with the lives of 400 farmers, the livelihoods of 400 farmers who are desperately trying to produce a diversified crop, with the lives and the families of 250 people who now have jobs, not new job creation but jobs that are already there. He can play his political game with the Federal Minister responsible for the Canadian Wheat Board. He can play them in other ways, but don't use the lives or the

livelihoods of those people who depend on the land and depend on those jobs that are derived from the land. I plead with him to come to his senses.

I would bet you, Mr. Chairman, that every member of the Opposition would publicly stand up and say to the Minister of Agriculture and to the Minister of Industry Trade and Technology if he were to change his wrong-headed approach to the support of the sugar beet industry, that he would get compliments from each member of the Opposition in support of it.

If it's a political embarrassment that he's afraid of, then I'll publicly stand up and say he did the right thing. But I'll also say, Mr. Chairman, if he doesn't, he's in for the biggest pounding of his life, and we're gonna give it to him.

**MR. CHAIRMAN:** The Honourable Minister of Trade and Industry.

**HON. V. SCHROEDER:** Thank you, Mr. Chairman.

This is a very important issue for Manitobans, for Manitoba farmers, for workers. I think it's about time that the Opposition understood a little bit about the issue and didn't just play flim flam and got a little bit serious. This is going to affect possibly the livelihoods of hundreds of Manitobans, and you're playing with it as a cheap political issue instead of being concerned about the lives of those people.

Mr. Chairman, let's go back over some more history. We have had a 100 percent funded program from the Federal Government on sugar beets since 1958. All of those years - Conservative, Liberal, Conservative, Liberal, Conservative - we had that policy. Even under terrible Pierre Trudeau, we had 100 percent funding. We never had any problem for the sugar farmers of Manitoba under Trudeau, under Joe Clark, under Diefenbaker and those people in-between, Pearson - no problem.

Suddenly, we've got this problem now and it is different, and I asked members opposite to address this and none of you did. The Member for Morris did not address the issue of fairness when we're dealing with 100 percent federal dollars for eastern soybeans, as opposed to 33 percent federal dollars for Manitoba sugar beets. The Member for La Verendrye didn't address the issue of 100 cents on the dollar subsidy for apples for Ontario and Quebec as against a 33 percent subsidy for Manitoba sugar, didn't address it at all, didn't address the fact that the Minister of Agriculture has pointed out continuously to you. There have been a number of commodities under the same stabilization act not named, as apples.

Incidentally, for people from the sugar industry who are here tonight, they should be aware that just recently, I believe March 17, Mr. Chairman, they received payments for their 1983 and 1984 apple crops, 100 percent, not a penny asked from the Province of Quebec, not one red penny.

The same thing happened and is happening with winter wheat, 100 cents on the dollar. They're not asking those eastern farmers to pay 33 cents on the dollar. They're not asking the treasuries of those provinces to pay 33 cents on the dollar. They're paying 100 cents on the dollar.

We have challenged members of the Opposition to stand up for their sugar beet farmers, for our workers

in this province, and say to their federal cousins, this is wrong. You can't do this in Eastern Canada, and do this to Manitoba.

And they say, well, look at Alberta. Alberta got this same deal and they've signed it. Look at what Alberta has received in the last little while. They have received more than \$2 billion in oil tax cuts a couple of years ago, the bank bailouts for British Columbia and Alberta. They have received recently \$350 million in subsidies for their oil industry again to get it back off the ground, \$350 million. Why did they get that 350 million? Premier Don Getty was telling his federal cousins, you're treating us unfairly and, if you don't do something about it, we will. Eventually, after enough pressure, after the Alberta Conservative Party said you're not going to do this, put everything into Eastern Canada and give nothing to us, and still have us supporting you. After they said that loud and clear and long, they got their change in oil policy, and I'm happy for them.

We will get a change in sugar policy when those people go home, pick up their telephones, phone their Members of Parliament and say, look, we've had it, we have had it. You have got to give us the same kind of fair treatment that soybean farmers are getting in Eastern Canada, the winter wheat people, the apple people and so on. We have to have the same kind of fairness for Manitobans.

The Member for Rhineland, the Member for Emerson, people who have a lot of sugar beet growers in your area, stand up for those growers and tell those growers, contact your MP and say, this is not good enough. You signed an agreement with the Province of Manitoba in 1985 that said you would not come back to Manitoba for more money after 1985. Why are you back to the province? You didn't go to Quebec on apples; you didn't go to Ontario on soybeans. Why are you back here? Why can't you keep that agreement? Why are you back here telling our producers they have to put up one-third of the cost when their brothers and sisters in Quebec and Ontario don't have to do that on those crops that they had 100 percent in those bad old Trudeau days.

In those bad old Trudeau days, your constituents were being looked after better than under this wonderful Brian Mulroney. We had an agreement with him, and you people, if you stand up for your constituents, can save that agreement yet. If you people in the next week put some pressure onto your federal brothers and sisters and cousins, tell Jake Epp, tell Charlie Meyer, this is not good enough. We're not prepared to see this industry go down just because you want to save a couple of bucks here, when you didn't - you know, it's fine, perfectly fine to put the money into Manicouagan, haul a prison from a hundred miles away and plunk it into the Prime Minister's riding. It's fine to take \$50 million and build a highway in Manicouagan, that sort of thing.

But when it comes to Manitoba, you know, it's the old story. It's Manicouagan, 50; Manitoba, 0. It's about time we had some fairness here and it's about time you started, through your constituents and personally, putting some lumber on your MPs. If you did that, if you started putting the heat on to your MPs through your constituents, through the editors of your local papers whom you should be in touch with now if you haven't been in touch with them before, if you don't

put that heat on, you people are going to be responsible for the demise of that industry in Manitoba. You people directly will be responsible for having completely failed in the duty of protecting your constituents. You will have been completely negligent in terms of making sure that this industry is saved in Manitoba.

You know, going back to 1985, and I needn't read this back to you now, but for any sugar producer in this province I think it's worthwhile to go back two years and read the discussions we had with the Member for Lakeside, other people who were standing up asking questions. We had a debate, we said, we will sign that agreement for 1985 on these conditions. One of the conditions was, incidentally, that the growers be paid their - what was it - 1983 and 1984 stabilization payment. The growers themselves, through their organization, said, don't do that, we'll fix that up for ourselves.

Well, as you know, the growers really got that fixed up. I sympathize with them. They trusted the Mulroney government. They trusted the Mulroney government and thought they would get that money. They never got that to this day, but as I said, apples - we shouldn't talk, I guess, about apples and sugar beets. Is that what you're saying? We can't mix the two? Well, the apple growers got 100 percent for 1983 and 1984 a few days ago. We were told to get off of that and we said, fine, it's not directly us because those crops have already gone by, and if the growers are prepared to take the loss, fine.

So we backed off of that but we did not back off of the issue of only 1985 and the Minister responsible, Charlie Mayer, agreed as a condition to our getting involved that after 1985 two things would happen. One, that they would never ask Manitoba for more money; they are violating that now. Second, of course, there would be a sugar policy in place. I believe it was supposed to be for the next growing season. Nobody needs to say what happened to that. The only thing that is going to rescue the sugar industry in Manitoba is you people having the courage to do what your brothers and sisters did in Alberta - stand up for your province, say this is not fair, phone your M.P.'s, make sure that they know that you will put the blame on them and that you will also give them the credit if they can come through.

We've given you the opener; we've given you the opportunity. Go for it. Don't back off and don't play the little games that we occasionally hear about, well, you are putting money into this and that and the other thing. We're putting money into areas where we have traditionally put money into and which traditionally have been our responsibility. Sugar beets, since John Diefenbaker, have not been a provincial responsibility and I know of no time since they were grown in Manitoba, since around the Second World War, that the Provincial Government has ever been turned to.

The Member for Rhineland will recall when we look at that kind of history, going back to 1959, as an example, 1959 was the year that the sugar beet crop froze in the ground, I believe, a large portion of it. The Federal Government, without ever going and saying to Duff Roblin or the Provincial Government, hey, you've got to come up with something, paid out somewhere around \$20 to \$40 an acre, which was an awful lot of money in those days - very, very much appreciated by

the farmers. I'm sure that there was not a single sugar beet producer in this province who would have believed when they elected a Mulroney Government that they would get so badly treated by this new government. They've already lost two years of subsidization. They were supposed to their friends. They've been hearing all these years from their M.P.'s, who they so faithfully sent to Ottawa, that if we got into office, boy, would things be wonderful. And here they are, instead of attacking the people who are letting down that dream, you're turning the guns on your own producers and saying to them, you cough up 33 percent. You're turning to the province, whom you're constantly saying should cut down on their deficit, you pay another one-third.

We never hear you say a thing about the fairness. Is it fair that they're cutting us down to one-third of what they used to pay when they're paying 100 percent on apples, when they're paying 100 percent on soybeans, when they're paying 100 percent on corn? I say, no, and if you people get active now, talk to your constituents, get your constituents going, get your editors going and so on, you can save that industry. But it is up to you; the ball is in your court. You have to deal with your federal partners and you better do it quickly.

**MR. CHAIRMAN:** The Honourable Member for Rhineland.

**MR. A. BROWN:** Thank you, Mr. Chairman.

I do not believe that the Minister of Industry, Trade and Technology was present when I spoke earlier in the afternoon on this particular topic, when I went back 20 years and outlined as to what had happened within this industry, the difficulties that we had in trying to achieve a national sugar policy for Canada. That still is the goal of the producer and still is the goal of the board. This is the ultimate; we do want a national sugar policy as far as sugar is concerned, but times change. We cannot always have what we wish for and we have to be realistic about this, that the whole concept of sugar changed drastically when we had sugar dumped at unrealistic prices. We had it dumped into our market. That's where we had a tremendous change. This had never ever happened before. We were willing to work with the world price of sugar as far as that was concerned and some years we had to have stabilization, other years we didn't need stabilization, but whatever, we were able to live within the parameters. Now, all of a sudden, everything has changed because we have sugar dumped into Canada at unrealistic prices. And why? The reason is because we do not have a national sugar policy and we desperately do need the sugar policy.

I can tell the Minister of Industry, Trade and Technology that we are going to continue to fight for a national sugar policy, but there's only one way that we can continue to fight for this and that is if we keep the sugar beet industry alive in Manitoba. Now that is the key. We are willing to roll with some punches if we have to, but our fight is not going to end just because we cannot have our way today. We are still going to continue to fight for a national sugar policy, which we need, which is going to be in the best interests of all Canadians, which every politician and when you talk

to them privately is going to agree that this is what we need, that this is what is beneficial for Canada.

Now, when we talk about Charlie Mayer and the problems that he faced, he saw that this was a good policy for Canada and he said this must go. Eugene Whelan before him saw that this was a good policy and he said this must go. Eugene Whelan couldn't do it. Charlie Mayer was a new Minister and so on, and he said this looks so good, it's got to go. As I said earlier, you run across some very extensive lobbying from the cane people in Ottawa who were able to persuade the powers that be that the national sugar policy is not in the best interests of Canada because they make their money selling cane sugar and they make their money regardless of where the price is as far as sugar is concerned.

So, Mr. Chairman, we have to be realistic at this stage of the game. Are we going to keep this industry alive so that we can keep on fighting for a national sugar policy, or are we going to let this industry go down? Then it's game over. Sorry about that. There would be no sugar beets in Manitoba ever again. You would see that plant over at Fort Garry dismantled so quickly because B.C. Sugar Company who owns Manitoba Sugar Company makes more money selling cane sugar in Manitoba than they do out of sugar produced out of sugar beets. So don't ever kid yourself. If you let this industry go under this year, it's under. Don't ever kid yourself.

So what are we going to do? Are we going to keep that industry alive and keep on fighting, or are we going to let it go down and face the consequences? - (Interjection)- Very little, Mr. Chairman?

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** The Member for Rhineland, I think, has the floor.

**MR. A. BROWN:** There's very little that the Minister of Industry, Trade and Technology knows about the extent of lobbying that has gone on with Ottawa. When sugar beet growers go en masse down to Ottawa like they did last year in order to lobby the Federal Government and say, look, this is what we need, this is what we have.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. A. BROWN:** What are you talking about? The lobbying has been extensive, has been very extensive, but now we're talking about survival so that we can keep on with this fight. The ball is now in your court. Are you going to keep this alive so that we can keep on fighting, and we will keep on fighting? Are you going to keep this alive or are you going to let the industry go down the tube?

Mr. Minister, that's your decision.

**HON. B. URUSKI:** Mr. Chairman, I am pleased that we don't have Conservative members negotiating on our behalf. If those members were negotiating, Manitoba would be lost.

Mr. Chairman, we've just heard the Member for Rhineland say, "Save the industry, go into tripartite and

we'll keep fighting for a national sugar sweetener policy." Mr. Chairman, do you believe that if now you've been paying 100 percent, and then you move your costs from 100 percent to 33 percent, do you think you'll be in any rush to have a national sugar sweetener policy? Do you think that someone will be rushed into providing a national sugar sweetener policy if we suck in the producers and the taxpayers of Manitoba into paying for two-thirds of the program?

Mr. Chairman, the Member for La Verendrye says, "You don't know whether we phoned." Mr. Chairman, the media should know. Mr. Kilgour from Alberta let the world know that he is saying, "Mr. Mulroney, you're not delivering and we're not happy."

I haven't heard one Conservative member get up in this House and say that we're not happy. What we've heard all afternoon is every Conservative member get up in this House, who wanted to speak on these Estimates, and apologize for Brian Mulroney and for the Federal Government.

Mr. Chairman, they don't want to talk about fairness. They don't want to talk about fair treatment. They don't want to stand up for Manitoba. Mr. Chairman, I pleaded with them, and I plead with them again: get to the editors of those papers, of those rural papers in your area, get to the telephones.

Mr. Chairman, the Member for Rhineland today admitted that it appears that the refiners have a stronger lobby than the farmers. Mr. Chairman, who votes in this country? Is it one or two refiners or is it 400 farmers in the Province of Manitoba? Is that not a clear message to your members in Ottawa? Who does the vote? No clout, Mr. Chairman, silence. Silence on behalf of Conservative members in this House to say, "We'll dump on the province's NDP Government. Let the deficit go up, and we can go tee hee and we bailed you out, boys." Well, that's not going to work.

And to show the sensitivity and the concern for the industry, Mr. Chairman, if we were, and in fact, we probably are being criticized by some Manitobans saying, "What are you doing? You had an agreement that said no more money for the Province of Manitoba beyond the 1985 crop."; but we said we will put in \$3.15 million over the life of the agreement. And that shows commitment, Mr. Chairman. We have paid not once, we have paid twice, notwithstanding the agreement.

Who has reneged on the original commitment that producers told us to back off from '83 and '84 payments - original commitment of sugar sweetener policy during 1985, where is it? No more money for Manitoba to the sugar industry beyond the 1985 crop - commitment gone. Mr. Chairman, whose commitment has been kept and whose commitment hasn't?

The audacity of honourable members opposite to say that somehow members on this side are letting that industry down, Mr. Chairman, it's no wonder the federal Conservatives are at 22 percent. It's no wonder that government M.P.'s are rebelling at the federal party. It's no wonder that producers are discouraged and they're coming to the one source of their possible help, and that's the province, Mr. Chairman.

But it's up to the members opposite. They have the clout with their members. They'd better get going and make sure that industry survives in this province.

**MR. CHAIRMAN:** The Honourable Member for Ste. Rose.

**MR. G. CUMMINGS:** Thank you, Mr. Chairman.

I guess I could have sat here a while longer and listened to the Minister talk about how it is everyone else's problem but the ministry of Agriculture in this province. I think when he sat in his place and said that we were gutless and that we would not stand up for the sugar producers of this province, I began to realize how ironic it is that the Minister can stand in his place and not once this afternoon has he acknowledged that there might be even the faintest possibility that this province has not bargained in good faith and that this province has really not tried as much as it could be sure that a sugar policy was in place and that a stabilization program such as the tripartite that's been proposed could be in place so that the producers and the workers could have some assurance that there will be an industry in this province.

The Minister for IT and T has stood up several times to defend the Minister of Agriculture. It seems to me that's just about the height of lunacy when we have to have a member who has very little understanding of the problems of the sugar beet growers of this province stand up and defend the Minister of Agriculture when he is already in an indefensible position.

Mr. Chairman, there is every possible that after the Trade Board Report comes in later on, that there will be some recommendations that will point in a direction that this country can go on a national sweetener policy; but the Minister seems to have to be reminded continually that if we lose the sugar industry in this province this summer, it's gone. It is gone.

We can talk about the other organizations or the other industries that are in fact under tripartite and those who would like to come under tripartite, but that doesn't seem to have any effect on this Minister. Quite simply, Mr. Chairman, I wish he would quit playing with an industry, toying with it for his own political gain, and give us a straight answer here tonight, because obviously all the cards are on the table now.

Yes or no, does this Provincial Government want to have a sugar beet industry in this province or not? Put it to rest tonight, Mr. Minister. This is the last opportunity for many of these producers and I think that you owe it to the producers of this province. You have the gall to sit there and call me gutless. Stand up and tell the producers of this province what you see for the future of the industry. Stand up now.

**MR. CHAIRMAN:** The Honourable Minister of Labour.

**HON. A. MACKLING:** I don't think that any of us on this side of the House ever thought we'd see the day when members opposite, presumed to represent the interests of agriculture in their constituencies, would blithely follow and publicly espouse the kind of strategy they're talking about in respect to the interests of their constituents - a cave-in to Ottawa.

Mr. Chairman, the Minister of Agriculture and the Minister of Industry, Trade and Technology have outlined with care the background of breach of faith on the part of the Federal Government that was elected by constituents of members opposite, elected on the understanding that with a Conservative Government in Ottawa replacing that old Trudeau regime, Western Canadians would get a fair break. Well, we've seen what's happened since.

We've seen a government in Ottawa that has no policy to ensure the continuation of viable agriculture in this country. We've seen a Minister responsible for the Wheat Board when the media said to him: What do you counsel farmers to plant? What should they do now, Mr. Minister, with these prices? Well, he says, I guess you know they just have to carry on.

Obviously, Mr. Chairman, there are people who would say, well, we have to look at other crops, other ways to deal with an income requirement for farmers; we can't get the prices we want for cereal grains. Well, what about sugar beets?

Members opposite are saying, you know, the Federal Government can't support us so we have to go along with their strategy. There is no government in the world that adopts the kind of indifferent attitude toward its agricultural base as this present Conservative Government in Ottawa.

It's not as if the sugar beet industry in Canada was the significant force in the marketing of sugar in Canada. Mr. Chairperson, it's a very small percentage, about 5 percent of the total sugar consumed in Canada, and the Federal Government can put a limit on the amount of production if it wants. What's the threat? They can find billions of dollars for western oil, for banks, for large corporations; they can defer taxes.

The Auditor-General in Ottawa has categorized the kind of scandal that exists with deferred taxes, billions of dollars deferred by corporations for taxes. But when farmers in this province need support for an alternative industry to cereal grain, sugar beets, where are the members opposite? They continue to apologize for their cousins in Ottawa, cousins in Ottawa who promised this government that in 1985, after that crop year, we wouldn't have to put any more money into sugar beets. Now they come back with a proposal that not only the province will have to put in money, but the growers will have to share the burden as well.

What kind of fairness, what kind of equity is that Federal Government in Ottawa offering Manitoba sugar beet growers? The kind of equity they're offering for soya beans and apples and other products in other parts of the country? Not at all. Why don't members opposite table letters, table petitions that they are sending to Ottawa saying, we want fairness for our constituents. We want fairness for a small, vital industry in Manitoba. Where is the evidence of that?

Mr. Chairman, what is necessary is for the members to at once distance themselves from their cousins in Ottawa and say to this government, you were right about the sugar beet industry in Manitoba. We are not prepared to see our cousins in Ottawa sell out our constituents. We will stand shoulder to shoulder with this Minister of Agriculture, standing up for the farmers in Manitoba and insisting on equity for them. That's all we ask.

Mr. Chairman, if they had any political sense, if they had any political integrity, they would do so. They would indicate to Charles Mayer and to Jake Epp that they were elected to represent Manitobans; they were not there to sit down in Ottawa and let those Mulroney Conservatives decide on all of those good things for Quebec, all of those good things for Central Canada and nothing for Manitoba. It's time that the honourable members opposite, just for once, demonstrated that they were prepared to stand shoulder to shoulder for

farmers in this province. Get on the phone and phone your constituents and tell them to get on the phone to Jake Epp and Jack Murta and Charles Mayer, and insist that the Federal Government live up to its commitment that it made in 1985. That's all we ask - fairness and equity for the farmers of Manitoba.

**MR. CHAIRMAN:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** It's amazing to hear the Member for St. James talk about sticking up for Manitoba and running down the Federal Government's concessions to Quebec when his party just wants to give them the biggest concession in the history of this country.

Obviously during the supper hour, the members decided to stay with their same tune. We spoke to them before the supper hour; we asked them to please use their common sense and have some sympathy for people, but obviously they got together and said, our best defence is still get out there and blunderbuss around, saying, make a phone call, do this, call the media, do that and use your strategy.

As I said earlier, the Minister of Labour wasn't here at the time - you have got a crisis in an industry that is very important to the Province of Manitoba. You have had an agreement and you've got a signed piece of paper - yes, you have - and you have a Federal Minister who was in the Minister of Agriculture's office not very long ago saying, I still have a problem; I haven't been able to solve it. He was straightforward with him. He said, we've got to do something to get the producers producing in the Province of Manitoba. He didn't hide around and yet the Minister of Agriculture, he basically says, how can I trust Charlie Mayer? Charlie Mayer walked into his office and told him the situation. And what does he do? He comes in this House and said, I can't trust Charlie Mayer, and all Charlie Mayer told him or the Minister told him is, gentlemen, we still have a problem in the Province of Manitoba.

I'm well aware of what happened previously, but I still have a problem. I need the Manitoba Government to work with me to cure this problem so that we can, in time, get the sugar beet industry off on the right track.

Mr. Chairman, I've heard about apples tonight and I've heard about other things, and quite frankly my interest is sugar beets in the Province of Manitoba, now. This continual reference to other things that are not happening in the Province of Manitoba is your complete inability, your complete incompetence to be able to handle a problem within this province.

The Minister of Labour, who is supposed to do everything to conserve jobs in this province, will sit by and make a statement and argument as he has in this House tonight and watch people lose their jobs. The Minister of Agriculture will watch producers go out of business. The Minister of Industry and Commerce will sit by and watch an industry that's been in this province for a long time close up because he wants to blunderbuss around with his big bo-bo type of attitude saying, I have a signed piece of paper.

Well, I'll tell you Mr. Minister of Labour, those people out there that will not be working, that will be on welfare, that will be looking to you as government to do

something for them, will not be very proud of your standing up for them in this particular case.

Now we have the Minister of Industry, who takes a look at an industry in this province that has been there for years and he stands up and says, I have a piece of paper. He doesn't trust the man who walked into his office and says, I still have a problem; I need your help. You say to us, get on the phone; you tell us that the phone call came from Saskatchewan, that the call came from Alberta. The calls came from government and they listen, and the trouble is, they don't listen to you people because you won't work with them. It's just as pure and simple as that. You happen to be over there and I tell you right now, if you can't understand that there is still a problem and you go out and you meet those people in their homes after they're out of work, you go over and talk to them. You laugh at them the way the Minister of Agriculture laughed at it today. You laugh at them and you tell them that you did everything you could, Mr. Minister of Labour to save their jobs, and by God, they will be very disappointed in that insincere type of statement from you.

There's been nothing but insincere statements from you since you've been the Minister of Labour and you have changed, and you are now a person who has changed his attitude since I knew you 18 years ago, because when I knew you, you would stick up for people and now you don't give a damn.

Now the Minister of Industry says I have an agreement. Mr. Minister of Industry, why don't you sit down with the Minister of Agriculture and the Minister of Industry, federally, and say, yes, I have an agreement, but we have a very big problem in the Province of Manitoba. We've always had it and it's still there. What have you done about it?

The Minister of Agriculture, who has probably done less for agriculture in this province than any other Minister, is sitting by and watching an agricultural industry and producers go down the drain because they have an agreement. Isn't that marvellous.

You know, there are lots of agreements around, but when there is a problem, you solve it, and we're talking about the sugar beet industry in the Province of Manitoba right now. We're talking about farmers, producers. We are talking about employment in a plant. We're talking about an industry that purchases in this province. We're talking trucking industry in this province. We're talking people who sell implements in this province. We're talking all kinds of spinoffs and you gentlemen over there sit there and show that you're completely incapable, absolutely incapable, of working to solve a problem, the same as the Federal Government is trying to solve it. The Minister came in and he said, I still have a problem and the Minister of Agriculture's statement says, how can I trust him?

Well, mister honourable gentleman, that kind of attitude is something that those producers and the people who are going to be out of work and the factory that's going to be closed in this province, the people who supply those factories, they're going to say that's a fine group of incompetent individuals we have who can't adjust to take care of a situation. When the Minister comes in and says I still have a problem, you as much as say, go jump in a lake.

**MR. CHAIRMAN:** The Honourable Minister of Education.

**HON. J. STORIE:** Thank you, Mr. Chairperson. I would like to just add a few comments to the record.

I find this a rather pathetic display on the part of members opposite. I want to deal specifically with the comments of the Member for Sturgeon Creek, which I find rather remarkable in their inconsistency and rather remarkable in the degree of ignorance they show about the history of this particular problem.

Mr. Chairman, the Member for Sturgeon Creek has indicated that he is not interested in history. He is also not interested in the facts of this particular case and the facts indicate that the Minister of Agriculture has done everything in his power to convince the Federal Government that in fact this industry is worth saving, has done everything in his power to make sure that Manitoba's contribution is on record.- (Interjection)- Mr. Chairman, it is unfortunate that members opposite refuse to recognize the history of this particular problem.

We have gone the extra step many, many times and we only have to refer back to the commitment that was made by Mr. Mayer in 1985 that the province would not have to contribute beyond the initial contribution, the interim payment of some \$2.8 million. So we went through that song and dance once. We said, yes, there is a problem; yes, to Mr. Mayer, there is a problem. It's a continuing problem, it's a long-term problem that's only going to be resolved if there is a national sugar policy, that's all. The Minister of Agriculture and the provincial government said yes, we're prepared to contribute on the understanding that this is a final payment, that there will be no further contributions and that the Federal Government would have that policy. So that commitment was made.

Now we're into round 2 of the same song and dance and, once again, contrary to what seems to be implied by members opposite, the Minister of Agriculture has once again said here is a provincial contribution to a long-term solution to this problem. Once again, the Federal Government backs away, says no, we're not taking any responsibility for this, trying to lay the blame on the province. I don't understand the Member for Sturgeon Creek's logic when he says: why can't the provincial government, why are we so concerned about this issue? Why do we not want to become participants in this tripartite program? -(Interjection)-

Mr. Chairperson, yes, we are concerned about all of those things. We have been concerned and what I just indicated on the record is that we have exhibited that concern and put out provincial dollars to support the industry over the last couple of years, that we have made the commitment time and time again. For our efforts, for our concern, our compassion for the growers and the workers what have we got? Still no federal commitment.

The Member for Sturgeon Creek wants to pretend that's a provincial problem. He says he's not prepared to discuss the fact that the Federal Government is providing stabilization to the apple growers and the corn growers. He doesn't want to talk about that, the 100 percent responsibility that is the Federal Government's responsibility.- (Interjection)- What he continues to do and what apologists for the Mulroney government continue to do on that side is to ask this government to continue to cover for the incompetence and the inadequacy of the Federal Government, their failure to respond to the interests of farmers, he

continues to ask us to respond to their inadequacies and their failures.

Mr. Chairperson, it is unfortunate because we're not asking for that much. What we're asking for is on this occasion only - and very seldom do we ask members opposite to cooperate on an issue of importance to the province - is to cut out the rhetoric. We're asking, let's take a provincial perspective on this. Whether you want to acknowledge that the provincial government has on two separate occasions made additional commitments to sugar beet producers in this province above and beyond what was required by letter, by agreement, between the Federal and Provincial Governments, despite the fact that we have done that on two occasions, the Member for Sturgeon Creek says we're not prepared to do anything. We're not prepared to be flexible. If that isn't flexible, Mr. Chairperson, then what is?

What we're asking the Federal Government to do is to live up to its commitment, a commitment that was made more than two years ago. We're asking them to treat Manitoba beet producers the way they treat other agricultural producers in this country. Fairness, that's what we're asking for, no more and no less. Can't we have, on this one occasion, some cooperation from members opposite in recognizing that we have gone the extra mile, that we have made our contribution, that we have worked with beet producers to encourage the cooperation of the Federal Government?

What we're asking for on this occasion is for some cooperation and some apparent willingness on the part of members opposite to stand up for Manitoba. Because if, as the Member for Sturgeon Creek professes, his concern is for the beet producers and the workers then that would not seem to be too much to ask.-(Interjection)- One simple example of a cooperative spirit, but we have heard none of it.

We heard nothing but vitriol from members opposite about the Minister of Agriculture whose efforts are on record in trying to protect the industries of sugar beet growers and the workers in Manitoba. So the record is clear. All the bluster, all the vitriol, all the personal attacks on the Minister of Agriculture and the Minister of Industry, Trade and Technology are going nowhere.-(Interjection)- The Member for Sturgeon Creek says put the people on welfare and close it.

Well, the responsibility on this occasion very clearly rests now and in the future on the Federal Government. If you won't accept that and act on behalf and in the interests of Manitobans and the beet producers, then it rests on your heads as well as the Federal Government; because your lame duck apologists for that government who have refused to act in the interests of Manitobans on so many occasions that it becomes embarrassing to go through the refrain time after time for members opposite, whether we're talking about CF-18 or the embarrassment of the National Research Centre, the only one in Canada that was built by the Federal Government and remains empty, whether we talk about the sugar beet policy that doesn't exist.

Inadequacy, failure, on the part of the Federal Government and you're supporting it. If there are any of your constituents - the Member for Rhineland, the Member for Morris - who are listening to this debate or are watching this debate, I'm sure they're going to leave with a sense of frustration and embarrassment

about the lack of commitment on that side for this industry and for this province.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. H. PANKRATZ:** Thank you, Mr. Chairman.

I just want to make a few comments, and after listening to the Member for Rossmere referring to apples in B.C. and trying to divert everybody's attention from the actual concerns that we have in this House here today, I would venture to say he should have been concerned over the \$8 billion he put this province into a deficit. That's what he should be concerned about; forget about the apples in B.C.

The Minister of Labour, a year ago in July, stated in this House there was nothing wrong with MTX, it was a profitable industry for the Province of Manitoba. If it wasn't for the Opposition to put him on trial, and naturally he was relieved of his duties after a \$28 million deficit, how much more would we have incurred to date? Maybe an additional \$10 or \$15 billion. And he's no expert on \$315 thousand annually. He's no expert so I think we should . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. H. PANKRATZ:** Mr. Chairman, I want to address my comments straight to the Minister of Agriculture because I believe he's the only man capable on that side of the House that basically can realize what the producers, what the growers in this province are facing. And I want to ask him once more the same question that I asked him earlier. You don't know how much sugar the Province of Manitoba can export, do you? If not, I would wish to ask that question of you for the third time; I wish you would indicate to me. If you can't do that, it just shows that you don't know what the whole tripartite agreement is all about.

The other point I want to bring out to the Minister is that six-man board, and you know it is two from the province, two from the government and two from the Federal Government - I'm referring to the Alberta Government and the Province of Manitoba. That board can adjust this today, the tripartite stabilization amount that each party is contributing to. Am I not right, Mr. Minister? They can adjust it. If you would now agree to the tripartite stabilization and then see fit to give notice on a three-year termination, you would not have any deficit like you have been misleading this House and stating that it would be a \$5 million failure.

I think, Mr. Minister, with that I want to conclude my comments. I think you should go back to your Deputy Ministers and your members and study the plan and know what it is all about, that you don't come into this House and try to mislead the press like you have been doing all evening because you still don't know the amount of sugar you can export, which is part of the agreement. So, I believe, Mr. Minister, with that I want to conclude my statement unless you can respond to that.

**HON. B. URUSKI:** Mr. Chairman, I'll just be very brief. Just briefly for my honourable friend, Mr. Chairman, I want to indicate that the export quotas that are in place between Canada and the U.S. have no direct bearing to the tripartite agreement.



**MR. H. PANKRATZ:** Well, Mr. Chairman, I wasn't going to respond but I have to because of that because the Province of Manitoba is allowed a percentage of export of the sugar, which in turn is a part of the cost, which in turn reduces the cost of the tripartite stabilization. I believe I do not want to go into length, into detail, on it, but I believe the Minister should be made aware of this. - (Interjection)- Yes, he should be read the total agreement and be aware of what the total plan is all about. If he would know that, then I'm sure he would possibly be willing to sign this agreement. I think it's a matter of just updating him as to what the whole total tripartite stabilization plan is all about.

**HON. B. URUSKI:** Mr. Chairman, my honourable friend should be aware that the terms of those export permits, the profit that will accrue will be based not on the domestically produced sugar, it will be based on that cheap cane sugar that will be refined in our country and sold into the U.S. market at U.S. prices. That's where the profit will be. I think the Member for Rhineland in his remarks earlier this evening really hit the nail on the head. Because of the inaction of members on the opposite side the processors have the clout, and the farmers have no clout in this issue.

**MR. CHAIRMAN:** The Member for Virden.

**MR. G. FINDLAY:** Thank you, Mr. Chairman.

We've had a long and difficult discussion. We have a very serious issue in front of us, but the Minister has indicated no resolution whatsoever in the impasse that exists between him and the Federal Government. Last year tripartite was a good enough agreement when the hog issue was up. He signed it, clearly indicating acceptance of a tripartite relationship in terms of stabilization of an industry. Now, he has reversed his position because it's an industry that he doesn't care to support. I would like you to tell the House why he doesn't want to support the sugar industry the same as he supports the hog industry. Is it because it's hogs in his riding and not sugar beets or what is the reason? There has to be a reason that the Minister has not told us yet. He has had a number of excuses and other members of the government side have stood up and said the same excuses - blame the Federal Government; we are not responsible; you do it for us. He's the Minister of Agriculture, you're the government, you have the responsibility. If you don't want the responsibility, let's change sides. Let's not just say it's somebody else's responsibility. Act responsibly and defend this industry in this province.

The growers out there right now are in a dilemma. They're sitting up there wondering - what are we going to do this spring? Do we take a chance and sow a crop like in '85 ahead of the decision on May 2? Or as it looks right now, this Minister of Agriculture is not going to do anything. He has no contingency plan. He has no real desire to save the industry in this province. If I look at the tripartite agreement I don't think this government has any liability beyond the \$3 million. As I've said earlier, there is a committee there that's to guarantee that it's actuarially sound at the end of the term. It's in place. The sugar sweetener policy will eventually be in place as time goes on and that can

be incorporated into the agreement. When that sugar sweetener policy is arrived at, it will reduce everybody's liability in the tripartite stabilization.

Okay, if that is right, what is the hang-up? You gave two conditions earlier today as to why you wouldn't sign it. One was that you didn't want any liability beyond the \$3.15 million, and I'm saying the way it appears to me from what you said today, there is no liability beyond that. The other one was no deficit, and I say the committee is there to prevent the deficit.

That being the case, Mr. Minister, have you got yourself out on a limb that you can't back off from, basis that 1985 letter from the Minister responsible for the Canadian Wheat Board? Is it a personality conflict between you and that Minister that you are prepared to sacrifice this industry for? Is that the reason that's at the bottom of this? Is that the reason, Mr. Minister?

Do you want us to conduct the relationship for you? Do we have to act on your behalf? When the going gets tough, are you prepared to sit down on every issue? Do we want this industry - 400 farmers, at least 200 jobs involved - are we prepared to let it go down the drain?

Let's have the Minister's response.

**HON. B. URUSKI:** Mr. Chairman, the honourable members indicate that there may be a personality conflict. Mr. Chairman, the putting up of an additional \$3.1 million over 10 years of the contract that we're prepared to enter into is some personality conflict. That's an expensive personality conflict, Mr. Chairman.

**MR. G. FINDLAY:** It's expensive for the growers, that's right. It's expensive for the growers.

**HON. B. URUSKI:** Mr. Chairman, the honourable member in his remarks made an assertion that surely you can keep the program from a deficit; surely, you can keep your costs down within that \$3 million amount.

Mr. Chairman, the honourable member should know, and if he doesn't know, that yes, you can very easily do that, but what you will do is you'll put all those producers out of business because they will need the financial support. Well, he's shaking his head "no," Mr. Chairman, "that won't happen."

Mr. Chairman, then why won't the Federal Government agree to sign on our commitment? If that's the case, we've got our \$3 million. We have moved away from our stated agreement that they gave with us and it's there. There should be no difficulty. Mr. Chairman, members opposite should be able to convince their counterparts very easily then to say hey, do it that way, take their \$3 million and have the industry survive. Why have they not done so, Mr. Chairman?

I met with Mr. Mayer last Monday. There's been no change in their position. Basically, what we got was a political letter indicating "look, this is it," and no other reason.

When I spoke to producers today, I said if there was any willingness of compromise, and we're the ones who have compromised twice, Mr. Chairman, if there was any room for compromise, why did they not come back? They knew our position - no liabilities and this amount of money. If there was anything in my announcement that they wished to discuss, why didn't they come back?

But they knew, I believe, Mr. Chairman, that they had a group in this House, unlike their counterparts in Alberta, unlike some of their members in Saskatchewan, who are prepared to speak out. They knew they had a group in this House who would back them come hell or high water.

Mr. Chairman, I am ashamed, and every Manitoban should be ashamed of the position taken by members opposite in terms of the unfair treatment of a national government to a segment of agriculture which they historically, as a national government, have had the clear jurisdiction over and should continue to support.

**MR. G. FINDLAY:** Mr. Chairman, unfair treatment from the Federal Government - is \$530 million of support in 1986 unfair treatment compared to how many dollars that this Provincial Government put into support for Manitoba farmers?

I believe the tripartite is a reasonable and fair way to stabilize all commodities. He's assigned the hog agreement. Why not the sugar beet agreement? Five hundred and thirty million and that's unfair treatment! Where are his dollars?

**HON. B. URUSKI:** Let's look at the historic responsibility to agriculture.

**A MEMBER:** Here we go again!

**HON. B. URUSKI:** Well, Mr. Chairman, even the Member for Virden talks about a shared responsibility. Let's define that shared responsibility.

Extension, resource management and technology transfer - a provincial responsibility. When it comes to income support, historically, that has been a Federal Government responsibility, and it's only, Mr. Chairman, because of successive Liberal and Conservative Governments that provinces have been forced into income stabilization programs.

Why would we need a hog stabilization program or a beef stabilization program or any income stabilization programs if it was not through successive neglect of federal administrations? Mr. Chairman, why would they treat grain producers in Western Canada differently than they treat grain producers east of the Manitoba-Ontario border?

Mr. Chairman, if the member is saying that \$500 million is enough of a commitment to agriculture on income support, it is not enough. We've always acknowledged that what our province can do is not

enough either. Mr. Chairman, when it comes to income support, I will not, and I will continue to defy and I will continue to argue all over this nation, not only this province but this nation, that when it comes to income support, that is the responsibility of the national government, a historic responsibility, and we will not back away from that.

If the members opposite say that the \$500 million in terms of western grain, the Crow rate and all the other issues combined is enough to agriculture, then, Mr. Chairman, they are saying that Western Grain Stabilization is an adequate program. They're all inadequate, Mr. Chairman.

They again are saying that we should, in fact, let the Federal Government off the hook even though they put in \$500 million into agriculture. Mr. Chairman, that is not fair and it will not be a fair statement and I will continue to resist that kind of pressure.

**MR. G. FINDLAY:** It is extremely unfortunate the Minister has decided to dig in and entrench himself in that position of not standing up and speaking for the sugar beet growers of this province in terms of signing an agreement that is actuarially sound and in the best interests of the industry in terms of the farmers and the people that work in the plant and the province at large.

As the Member for Arthur read to him earlier, one of his objectives is to maintain and expand production of agricultural commodities, particularly those which lend themselves to further processing in this province, and in the first issue in these Estimates, he stands up and argues the other way. It's extremely unfortunate.

It appears at this point in time we have an obvious impasse on what's going to be done for this industry other than the fact that this Provincial Government is prepared to let the industry die forever and a day in this province.

**MR. CHAIRMAN:** Committee rise.

## IN SESSION

**HON. E. KOSTYRA:** I move, seconded by the Minister of the Environment, that the House do now adjourn.

**MOTION presented and carried** and the House accordingly adjourned and will stand adjourned until 1:30 p.m. tomorrow. (Tuesday)